

# I INTRODUCTION

1. "A dynamic economy is vitally dependent on dynamic management alert to discover new ideas, to develop new markets and to explore the possibilities of technological innovation."

(Conditions Favourable to Faster Growth, April, 1963, para. 220)

In the above NEDC report attention was drawn to the relation between education and economic growth and to the necessity for highly skilled management if faster growth was to be achieved. The facilities for training and educating managers were broadly outlined, the importance of management development emphasised, and the need urged for the establishment in this country of at least one very high level new business school. This suggestion was subsequently endorsed in the Franks and Robbins reports and plans for two schools are now under way.<sup>(1)</sup>

2. It was decided to undertake the present investigation because of a lack of information about what industry itself is doing about management recruitment, development, training and education and what it considers to be the main current problems. It is hoped that the survey will stimulate discussion, research and action on the problems which it has revealed and let firms throughout industry know what is being done in this field.

3. One of the interesting points that emerged from the inquiry was that there is no uniformity of practice as to what the term "manager" includes, as it covers a wide variety of functions and activities in different businesses. In this investigation the term has been defined as excluding foremen, supervisors and chargehands, but including personnel who are in responsible decision-making staff positions, as well as direct "line" managers. In considering the statistical results of the inquiry, it must be remembered that different companies may have placed somewhat different interpretations on the terms used.

4. The procedure adopted was as follows :—

A questionnaire (see Appendix II) was sent to 238 companies in private sector industry selected on a sample basis, each of which had assets of over £500,000, and to some co-operative societies. The sample was deliberately drawn to include a high proportion of the companies with over 20,000 employees, and the proportion of companies with 2,000–20,000 employees was also larger than those with under 2,000. It was thought that larger companies would have more experience of this subject than smaller companies and their response rate was, in fact, much higher. In some cases the questionnaire was followed by personal interviews.

5. Replies received from 102 companies were sufficiently detailed to be analysed and this was done in three size groups as follows :—

		<i>Number of companies</i>	<i>Response rate</i>
Group I	Companies with over 20,000 employees ..	19	95 %
Group II	Companies with 2,000 to 20,000 employees	38	74 %
Group III	Companies with less than 2,000 employees	45	27 %
	Total	102	43 %

(1) Appendix VII, page 58.

These companies together employed over 1 million persons, and the size of company ranged from 100 to 90,000 employees. (See Appendices I and III for sampling methods and analysis of replies).

6. This report sets out to examine the views of the firms in the sample who replied. A list of the companies and co-operative societies which provided information is given in Appendix IX. Grateful acknowledgement is due to them for their help, and to all others who have helped in the production of this paper.

7. No formal conclusions have been set out at the end of this report. Certain clear impressions do, however, emerge from a study of the replies.

#### **Main points emerging from the Inquiry**

8. One is that many companies find a marked shortage of the right type of recruits required for managerial or potential managerial positions. Various reasons were advanced for this—competition from other types of employment, the ever rising levels of professional or technical qualification called for as technological demands become more complex and, in particular, the lack of qualities such as initiative and decisiveness, especially in graduates from whom industry must increasingly draw its recruits. Whether these reported defects are more in evidence today than in the past is hard to say, but it is clear that many firms feel that there is a lack of rapport between the educational system and the needs of industry. Complaints were made that the present educational system concentrated too much on producing the specialist trained in a particular academic discipline, and did not provide enough young men and women with broad educational and cultural backgrounds to which specialisation and the skills of management could be added.

9. Whatever the force of this complaint the results of the inquiry point to a need for both industrialists and educationalists to think out in detail and together what the former really require in the field of education and training and what the latter should provide. For management there are such questions as whether the best selection procedures are used and whether appropriate training is being provided for both school and graduate entrants. For the educationalist there is the question as to whether the shortage of the qualities called for by industry is in any way due to defects in education and development of character in the schools and universities. Are there better ways in which the individual's capacity for analysis and decision taking could be developed? Does the educational system provide enough experience of working together in groups?

10. When it comes to management education and training for those who are already in industry, the same need for a partnership between industrialists and educationalists obtains. The replies suggest the need for closer and better liaison between industry and the various bodies providing management courses—universities, colleges of advanced technology, technical and other colleges and future business schools. Such liaison should not be limited to meeting elementary requirements such as helping industry to choose between the large numbers of courses which are offered to it.

11. There is also need for both parties to look into more basic questions. For example, is there effective co-ordination of research projects being carried out into business and management problems? Are there enough teachers of

management subjects? How many of them have the three qualifications regarded as necessary by the Fisher Committee:<sup>(i)</sup>

“a university degree or its equivalent; experience in business management, public administration or some other comparable sphere, and at least a year's participation in an institution teaching management which has high standards, active teaching methods, carries out research and has close contacts with industry.”

Ought there not to be an urgent national plan for developing more teachers of management? Is enough being done to explore better ways of integrating practical experience and academic education? For example, it is desirable to encourage greater mobility between teaching and industry. To this end, could management teachers be given more time to attend courses on teaching methods, for consultancy, or to study methods used abroad? Or again, could it be made easier for graduates to carry out research in industry and at the same time qualify for higher degrees in educational establishments as is the practice in other countries? Might not more part-time lectureships and professorships be instituted at the universities?

12. Equally there are questions for management to answer which cannot be met by general complaints about the inadequacies of the educational system. Do companies adequately forecast their needs for managers both in regard to numbers and types? Do firms know and, if so, do they make clear to those providing courses, precisely what they seek from training, the level and type of manager to be trained, and what his particular needs are? Are managements prepared to second good people to education as management teachers? Admittedly the best people for this purpose are liable to be those doing the most essential work in their own firms. This difficulty might be overcome if secondments could be arranged for frequent short periods rather than for one prolonged stretch. Is enough thought given to the importance of mobility in management development? This may involve encouraging movement within the firm from one function of business to another, movement between firms, movement between industries and movement between industry, universities and government service.

13. One particular point to which more attention might usefully be paid is the greater use of consulting and advisory services. The educational value of such services is not only through the training courses which they run, but also through their assignments within firms where their work might be largely a matter of retraining. The process of analysing the methods used in a firm, introducing new techniques and sometimes re-organising the management structure necessitates teaching all levels of management if the assignment is to be a success. Advisory services and consultants can be of particular benefit to small firms which find it especially difficult to keep in touch with developments in techniques, but firms often need advice as to what services to use. The F.B.I. and B.I.M. are now jointly building up an advisory service on facilities offered by consultants. Something in the nature of a management audit may need to be developed to provide companies with a regular test of their efficiency.

14. In all this, more and better management education and training stands out as a paramount need. Only a relatively small proportion of firms answering the inquiry doubted the need for training schemes. In some cases firms may

simply be unaware of the sources of good advice or of the existence of really good courses. Some may even have been put off by unsatisfactory advice or experience of courses. Even so it would be unwise to assume that we have yet reached the point at which there is universal acceptance of the need for more and better training (including refresher or further training) at all levels of management. It is to be hoped that the industrial training boards now being set up under the Industrial Training Act 1964, which embraces all levels of employee, will provide a stimulus to progress in this field. The question of refresher or further training is of particular importance. It will not solve companies' problems simply to make some adjustments in undergraduate education and devise more and better post-graduate courses. More education and training every few years at senior, as well as other levels will in most cases be essential if management is to keep abreast of changes and advances in techniques and technology.

15. It is significant that there was so little mention, throughout the replies to the inquiry, of the need for special training for managers engaged or to be engaged in overseas trade. This would include a need for study of foreign languages to a good spoken level, opportunities for travel to foreign countries and study of the many complex issues involved in overseas investments (differences in company legislation, fiscal policy, etc.) as well as of the problems of export marketing and market research.

16. The cost of management courses has been mentioned and this can be a limiting factor particularly for small firms. Further consideration needs to be given to the question of where the cost of management education in fact falls, and where it should fall. It might be useful for managements to consider in fact what proportion of their annual turnover is spent on the development of managers. There is increasing awareness that money spent on education and training is a form of investment and one which may yield in the long run returns just as high as other forms of capital investment. Difficulties which at present arise from the fact that those who neglect training are subsidised by those who engage in it should be met by the levy arrangements under the Industrial Training Act.

17. To sum up, growth depends on individual men and women, their technical or commercial flair, their energy and drive and what they do with them; also on the environment in which they have to work. It is, therefore, essential that the methods of selection and training used by companies should make it possible for those with exceptional talent to be given an opportunity to make their full contribution to the economy throughout their careers. A successful management development scheme is one which ensures that those best fitted to be managers have the chance to reach positions of leadership whatever their background or specialisation, and one which would improve performance at all levels of management. It is also very desirable that every firm, large or small, shall have a management development scheme related to its organisation structure and that short and long-term needs should be constantly reviewed and acted upon. An immediate joint effort on the part of industry and educational institutions throughout the country, aimed at raising the standard of management, could have a significant effect in achieving this end. No subject is more important if economic growth is to be effectively sustained in this country.

## II SUMMARY

### **Numbers of managers**

18. A rough calculation of the numbers of managers based on the evidence of this survey, gives an estimated total of approximately 350,000 managers in manufacturing industry alone. Numbers of this order might mean an annual intake of some 20,000 to allow for replacement, technological change and growth. This does not take account of the very large numbers of employers and managers in distribution, construction and other sectors which contain many small units whose managerial efficiency may itself have a significant effect on the success of manufacturing industry (paragraphs 5, 43, 44 and 45).

### **Qualifications of managers**

19. Of the managers in the companies who replied, approximately a quarter had scientific, engineering and other technological qualifications and a quarter other professional or academic qualifications (paragraph 46).

### **Recruitment**

20. Many companies have difficulty in finding the type of recruits they need either for management training schemes or for appointment or promotion to first management positions. The problem appeared to be greater for the larger companies. The main difficulty was to find candidates with the personal qualities required for management (paragraphs 48-54).

21. The educational system was criticised by some of the companies. With the increased complexity of industrial processes and techniques, a higher level of education was thought necessary for managers, but the school leavers and graduates from whom potential managers were selected were said by some companies to have had too narrow and specialised an education (paragraphs 53, 55 and 56).

22. Universities and colleges of advanced technology were the source of the largest numbers of management recruits and first appointments to management positions. Many managers acquire their formal qualifications by part-time study after entering industry. Over 20 per cent both of trainees and of first promotions had had no formal education since leaving school (paragraphs 57 and 58).

23. There was some wastage from management training schemes, but over half of those who left of their own accord did so to improve their own positions and may not have been lost to the total management force (paragraphs 59 and 60).

24. Several companies mentioned special difficulties in finding particular categories of staff experts (paragraphs 61 and 62).

25. Some companies stressed the desirability of integrating academic training with practical experience and made a number of suggestions as to how this might be done (paragraphs 63, 64 and 67).

### **Management development schemes**

26. Of the 102 companies which replied to the questionnaire, 65 said they had formal management development schemes most of which covered regular appraisal of staff, on the job training and release for formal training. Rather fewer covered plans for management succession to top executive level. Some of

the methods used in management development schemes were described (paragraphs 68-81).

27. While many companies are giving a great deal of thought to management development, many more may still neglect it. Forecasting future needs for managers is a basic and often difficult part of any development scheme. The direct training on the job given by senior to junior managers is fundamental (paragraphs 71, 73, 78 and 81).

#### **Courses of study for management training and education**

28. All the biggest companies and some of the medium and small companies had formal management training courses provided within the company or company group. About one third of the companies which replied had courses provided by their industries, and three quarters confirmed the need for external management courses. Only 12 companies thought that there was no need for any type of formal course (paragraphs 85 and 86).

29. Company and industry courses covered a wide range of subjects and used varied methods; most of these courses were short. Only a minority of companies gave information about the numbers of their managers who had attended such courses during the last three years. In these companies 34 per cent of managers had attended company courses and 9 per cent courses provided by their industries (paragraphs 87-90).

30. Replies to questions about the need for external management training showed that the greatest demand was for courses for managers in the 28-35 age range, at middle management level, and for a maximum length of three months, but there was also a demand for courses at other levels of age and seniority (paragraphs 92, 93 and 99).

31. Smaller companies, which had special difficulty in releasing their managers for long periods, expressed a preference for short, part-time and sandwich-type courses (paragraph 94).

32. Firms had difficulty in choosing the most appropriate course from the large number available. The need for some "rationalisation" and clearer definition and classification of types of courses available was suggested. The quality of some courses was criticised. A preference for participative methods of teaching was expressed. General management and management techniques were the subjects for which the need for courses appeared to be greatest (paragraphs 95, 98 and 100-101).

33. A closer relationship between industry and the organisations providing courses was advocated (paragraph 105-107).

34. Frequent refresher courses for managers were recommended in order to keep them abreast of new developments (paragraph 109).

35. From replies given by 70 companies, it was calculated that 14 per cent of their managers had attended an external course of some kind in the last three years. Thirty-nine per cent of these courses were provided by universities, colleges of advanced technology and technical colleges (paragraph 110).

#### **Finding teachers and organising research projects**

36. A number of managers taught in courses of various types. About half the companies thought that the number of their managers who taught could be increased and that they could provide some practical experience or research

opportunities for teachers and students if this was wanted. A need for more teachers of management who have practical experience of industry was mentioned and it was suggested that managers might be seconded to universities and colleges for teaching purposes (paragraphs 111-114).

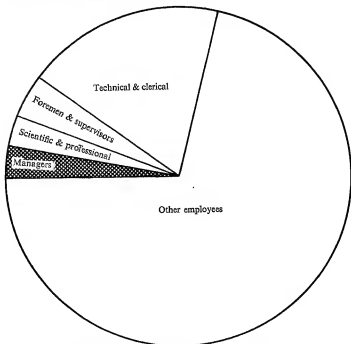
37. It was thought that arrangements for research projects could best be made locally between educational establishments and local firms but that some central co-ordination might be useful. Suggestions were made as to how such projects could be organised. Several companies mentioned that there should be much more research into management problems and that the results could be used as a basis for teaching (paragraphs 115-119).

### III THE INQUIRY

#### A. Numbers of Managers and their Qualifications

38. It is difficult to obtain accurate estimates of the number of managers<sup>(i)</sup>. The population census gives an occupational breakdown but the results of the 1961 census are not yet available. The results of the present survey suggest, as might be expected, that the definition of a manager varies very much between companies of different sizes. Hence although estimates have been made from the information received from this survey, they can only be taken as broad approximations.

Diagram 1. *Personnel structure of the company*



Source: Appendix III Tables 11.2 and 11.3, page 48

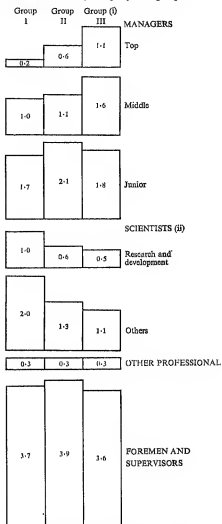
#### *Proportion of managers to employees*

39. The replies showed that there were wide variations in the proportion of managers to total employment in different companies, partly because of the

(i) See paragraph 3 for definition of the term "manager" used in this inquiry.



Diagram 2. *Personnel distribution by company size group*



Source: Appendix III Tables 11.2 and 11.3.

- (i) Group I (over 20,000 employees). Group II (2,000-20,000 employees).  
Group III (less than 2,000 employees).  
(ii) Including engineers and technologists.

differences in the type of business in which the companies were engaged. Companies in the distributive trades employed a substantially larger proportion of managers to employees than manufacturing companies. Nine companies, which were engaged mainly in distribution, had on average 7 managers per 100 employees compared with 3 to 4 in the 102 companies whose replies were analysed. Some of the manufacturing companies also had very large subsidiary interests in distribution and this increased their manager ratios<sup>(i)</sup>.

40. There were substantially more managers per 100 employees in the smaller than in the larger companies. The difference was, however, almost entirely in top and middle management. These categories absorbed 1.2 per cent of all employees in Group I, 1.7 per cent in Group II, and 2.7 per cent in Group III. The proportion of junior managers and of foremen and supervisors did not appear to vary substantially with size of firm. The relatively low proportion of top and middle managers in the larger firms was, however, offset by a higher proportion of scientists who were not employed as managers; 3.0 per cent in Group I compared with 1.9 per cent in Group II and 1.6 per cent in Group III. It was interesting to note that managers, foremen, scientists and other professional employees accounted together for about 10 per cent of total employment in each size group. (Appendix III, table 11, page 48).

#### **Relation between numbers of managers, employees and net assets**

41. A regression analysis was carried out between the number of managers in each firm and total employment and the value of the firm's net assets<sup>(ii)</sup>. This confirmed that the ratio of managers to total employees tends to be lower in the larger companies, whether their size is measured by numbers employed or assets; companies 10 per cent larger in total numbers of employees tend to have only 8 per cent more managers.

#### **Numbers of managers in manufacturing industry**

42. The results of the inquiry were used to make a rough estimate of the total number of managers in manufacturing industry, in which there are rather less than 9 million employees.

43. After excluding non-manufacturing firms, it was estimated that the firms from which the sample was drawn employed 4.6 million and that of these 145,000 were managers. The number of persons employed in manufacturing industry outside the group of companies from which the sample was taken amounts to about 4½ million, which includes all the employees in the very small companies. The proportion of managers to employees in these companies is likely to be higher than among the companies from which the sample was drawn, since the smaller of those which replied showed ratios of managers to employees of 5 per cent or more. It appears, therefore, that at least 200,000 should be added. This would give a conservative estimate of the total number of managers in manufacturing industry of about 350,000<sup>(iii)</sup>.

(i) There are also differences in management ratios as between companies engaged in different types of production (batch or process production, for instance) but this sample was too small for an analysis by types of industry to give reliable results.

(ii) As shown in "Company Assets, Income and Finance in 1960", H.M.S.O. 1962.

(iii) This compares with 285,000 employers and managers in manufacturing industry according to the 1951 census and estimates of 335,000 in 1961 and 360,000 in 1966 made by extrapolating the 1951 census figures on the basis of the 1951 employee-manager ratios for each industry (Appendix VIII, page 61).

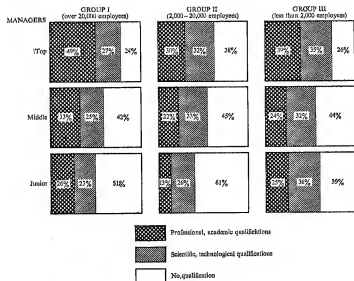
44. This might mean an intake of perhaps 20,000 per annum, about two-thirds of which is for replacement and one-third to allow for technological change and for growth. Much more research is now needed, however, as the effect of technological change and growth on the manager/employee ratio is not at all clear. Accurate overall estimates are very difficult to make, and it is important that individual firms should make their own forecasts of their management requirements in relation to the particular developments in their own industries and companies.

45. These estimates only relate to managers in manufacturing industry. The table in Appendix VIII shows that according to the occupational classifications in the 1951 population census the total numbers of managers and employers in the civil population amounted to 1.3 million. Distribution alone accounted for 382,000, and construction for 83,000. Many of these were no doubt managers of very small units.

### Qualifications of managers

46. An attempt was also made to find out how far the three groups of managers in the companies which replied had (a) scientific, engineering or technological qualifications or, (b) other professional or academic qualifications. The replies suggest that the proportion of managers with scientific and technological qualifications tended to be larger in the smaller firms. The proportion of

Diagram 3. *Percentage of managers with qualifications, by company size group and level of management*



Source: Appendix III Table 11.4.

professionally or academically qualified managers was higher in top management than in middle or junior management in all the three groups and was highest in the largest companies. (Appendix II, table 11.4, page 49). Of the total number of managers in the companies replying, about a quarter had qualifications in science, engineering or technology and about a quarter other academic or professional qualifications.

47. In ascending the salary scale the proportion of total graduates and other professional people employed in management increased from about a half in junior management to three-quarters in top management. The ratio of scientific and technical to other professional and academic qualifications was about 1.1 to 1 in junior management and was only about 0.8 to 1 in top management. This might be partly due to the lack of a broad base in the education of many qualified engineers which would help to develop the qualities of mind and personality required.

### B. Recruitment

48. It takes much longer to train and develop the man who is to manage a new factory than to build the factory. If industry is to expand at a faster rate of growth, it is necessary to consider the needs for expansion as well as the more normal needs of conventional steady growth. With the rapidity of technical change there will also be changes in the qualifications needed for management. Hence, the companies were asked:

"Are there any particular difficulties in finding suitable personnel (i) for recruitment into company training schemes aimed at providing sources from which managers are drawn, (ii) for recruitment or promotion to first management positions other than through your company training schemes?"

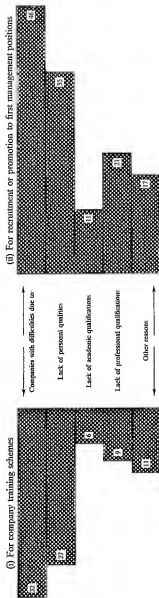
49. About one third of the companies had some difficulty in finding suitable recruits for such training schemes and nearly half had difficulty over engagements or promotions to first management positions. The degree of difficulty varied somewhat as between the three size groups, the problems apparently being rather greater for the larger companies. (Appendix III, Table 1.1, page 41).

50. If the companies' replies are weighted by the numbers of their managers they indicate much greater difficulty in finding suitable personnel. Some 55% had difficulty in regard to recruitment to training schemes and 62% in regard to promotion to first management positions. This picture may be exaggerated by the overweighting due to the presence of one or two very large companies.

51. The replies showed that recruitment presented difficulties both at school and university leaving age. There is great competition for outstanding students, capable of eventually holding management positions. Now that so many of the abler pupils are going to the universities, industry has for some time realized that it must take in more graduates if it is to get the best available talent. It is increasingly feeling the competition both of the Civil Service, where salary rates have risen, and of the demands of the universities for more teachers and research students.

52. The problem of recruitment of potential managers involves looking for character and personal qualities as well as academic, professional and technical qualifications. Indeed some large companies believed the main problem was to

Diagram 4. Companies with difficulties in finding suitable personnel



Source: Appendix III Table 1.2., page 41.

find recruits who had the personal qualities thought to be necessary, as the formal qualifications could be added after entry to industry as needed. (Appendix III, Table 1.2, page 41).

### **Shortage of graduates**

53. Several companies were seriously worried by the shortage of good quality graduates. One, which insisted on a minimum of a second class degree plus "the necessary personal qualities" and required 50 graduate entrants per annum, had only been able to find 14 in both 1962 and 1963; another thought that it was the integration of suitable personal qualities with academic or professional qualifications which provided the main difficulty; yet another thought that for every 10 young men with degrees only one had the personality to match his academic qualifications.

"The immaturity of graduates in relation to industrial environment" was mentioned by one company, and

"It is not easy to find men who combine a sound scientific education with a broad and big approach to more general problems, especially business ones. Engineers, particularly, are susceptible to this failing—perhaps their school and university curricula are at fault."

Another large company wrote:—

"Some 300 graduates are interviewed each year, but not enough of the right quality are seen for our rather selective management training scheme."

Another comment from a medium sized firm was:—

"Only a few men have the capacity to become managers and it is difficult to identify them early."

This difficulty of selection was mentioned by several companies; it applies even more to the selection of school leavers than of graduates. It was also suggested that better advice on careers and more vocational guidance were needed for students.

### **Personal qualities required**

54. Several companies tried to identify the personal qualities looked for. One large company, which has a wide experience in selection and claims to have had considerable success with student sponsorship schemes, defined these qualities as the capacity to analyse a situation, to make a decision on the basis of this analysis and to have the courage to act on it. Skill in human relations was also considered of vital importance. Another smaller company described the qualities which are lacking as drive, initiative, enthusiasm and integrity. One said that the senior managers in its group came from widely differing educational backgrounds and that performance depended more on character than on any other factor, and that,

"The difficulty is lack of drive, energy, ambition and lack of personality and polish."

## Criticism of the educational system

55. Some of the companies evidently felt that part of the trouble lay with the educational system.

"The graduate—the natural source of potential management material—suffers from the lack of a liberal education. This goes right back to school and reflects a fundamental weakness in our educational system—i.e. overspecialization. In a professional or scientific career specialization is a "must"—but for management the broader the field of education and the greater the development of character thereby, the more likely the young man or woman to have the basic materials which they will need in management work. We literally find that it takes graduates a year or longer to recover from their spell at university—so poorly does it seem to prepare all but a few for life in the industrial and commercial world."

"General education must be broader. Too much specialization too early is resulting in our having to spend time providing a broad basis on which to train in a "speciality". Where such a broad basis is not provided the individual is unable to keep either industrial life or his own speciality in proper perspective."

Perhaps these quotations are an indication of a need for more post-graduate courses on business subjects to follow either a broad general or a specialist undergraduate course. They suggest that the graduate level courses proposed for the new business schools and already on offer by some universities and colleges of advanced technology may help to bridge this gulf between the university and industrial life.

## Level of education

56. As processes and techniques become more sophisticated there is need for higher educational levels for managers and this process will accelerate in the future. Several companies thought a good sixth-form education was the minimum educational requirement for management. One mentioned that if their potential managers did not have the required professional or educational qualifications they would have to get these before they could be promoted and many companies help their employees to obtain such qualifications. A textile firm said that some of the mill staff were chosen for specific jobs in management and did them extremely well but they had not the academic qualifications necessary for higher promotion. Several made such comments as that,

"Higher education enables a man to pick up the necessary practical experience and knowledge more quickly so that he reaches a higher position earlier."

However, although this opinion was general, it was not unanimous. One retail company thought that,

"Academic ability and leadership are unconnected."

A large manufacturing group thought that,

"Part-time students have given abundant proof that, with diligence, they can reach top positions."

## Trainees and their educational qualifications

57. The following table gives some indication of the ratio of trainees and of staff engaged for or promoted to first management positions to the total number

of managers. These figures were, however, only given by some of the companies.

	(i) Intake of trainees into schemes for providing future managers	(ii) Engagement for or promotions to first management positions
	(annual average)	over three years)
Number	1,812	1,454
Ratio to total managers	1:15	1:19
Number of companies replying	65	80

(Appendix III, Table 2.1, page 42)

58. The largest educational source both of trainees (43%) and of engagements for or promotions to first management positions (42%) was from universities or colleges of advanced technology, but 25% of trainees and 21% of first appointments had had no formal education since leaving school. This suggests that, in spite of the apparent demand for more graduates and sixth form leavers, promotion from the shop floor remains a significant source of managers in many companies. Some indication was also given of the numbers who obtain qualifications by part-time study after entering industry, since 6% of trainees and 32% of those being appointed to management positions for the first time had such qualifications<sup>60</sup>. This indicates that considerable significance should still be attached to good facilities for part-time study in business and management subjects as well as in technical, technological and social studies, in spite of the development of increasing numbers of full-time residential courses. Companies might also consider extending their provision for release of young people between the ages of 18 and 25 to take part in further education, in courses for national certificates and the diploma in management.

#### Trainee wastage rate

59. About half the companies gave details of the amount of wastage from their training schemes.

Number of trainees lost by 54 companies over three years	744
As percentage of trainees taken into schemes by these companies	14%

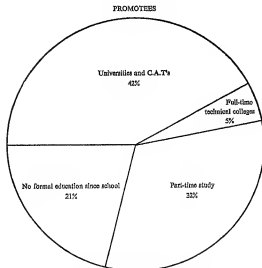
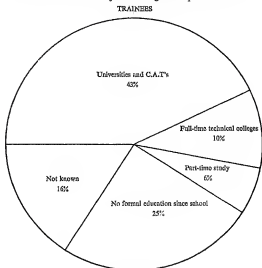
(Appendix III, Table 3.1, page 43)

60. The reasons for the departure of 653 of these 744 trainees were analysed by 47 companies: 53% left of their own accord to improve their positions; 29% left of their own accord for other reasons and 18% were considered unsuitable by the companies. (Appendix III, Table 3.2 page 43). This does not seem to be a very high rate of wastage and indeed, one company suggested that training schemes should be used to a much greater extent to help in selecting particular talent. Wastage from training schemes may be expensive for the companies who bear the cost but it gives them a basis on which to select future managers. It also means that men are trained who may go on to gain experience and become managers in other companies.

(i) See Appendix III, Table 2.2, page 42



Diagram 5. *Qualifications of management trainees and recruits on promotions to first management positions*



Source: Appendix III Table 2.2, page 42

### Special difficulties

61. There were some special problems in finding particular staff experts and other difficulties peculiar to individual companies. A shortage of engineers was mentioned by many companies, particularly engineering graduates with good degrees who have a capacity for management. The shortage of mechanical and control engineers seems to be greatest. One company, however, said the shortage of engineers was less acute than a few years ago. Scientists are often recruited for research departments and subsequently transferred into the general management stream if they show "management potential". Several companies mentioned that both scientists and engineers often needed training in human relations if they were to become successful managers.

62. Other staff specialists were mentioned as being in short supply—for instance, scientists with first class degrees or Ph.D.s for research, systems analysts for computer work, work study specialists, accountants and experts in operational research, mathematicians, physicists, and so on. Companies in the North-East and North-West complained that their geographical position made it difficult to attract managers. One in the textile industry said the difficulty was

"Lack of glamour and growth in the public image of textiles."

### Some suggested solutions

63. One large company thought a planned pattern of experience and academic study was the best approach to management. This company had training schemes both for school leavers and graduates; it had liked the recruits who had come after military service and now encouraged any who wanted to do voluntary service overseas as this helped to broaden their outlook. Another company said:

"The policy of recruiting selected school leavers who have reached 'O' level standard, helping them to graduate while in the company's service and enabling them to graft on technical and managerial qualifications subsequently, has proved satisfactory in blending works experience and practice with academic effort and attainment."

64. The difficulty many companies found in recruiting suitable graduates led some to start "student apprentice" schemes under which a year working in the business was succeeded by sponsoring the student for three or four years at the university, and then giving him a subsequent year of training back in the company. These schemes were mainly started to deal with the shortage of graduate engineers; now that this shortage was less acute some companies were considering abandoning them. Other companies have their own special schemes for training both school leavers and graduates on entry, but many now consider the best plan is to put them straight on to a job and send them for formal training later.

65. One very large group of companies said they would be glad of the opportunity to take graduates with good degrees in economics for limited periods and suggested that the universities, instead of keeping all their best students immediately after graduation, might gain by encouraging them to spend a few years in industry to broaden their experience.

66. One of the companies returned separate figures for male and female staff and made it clear that promotion for women was not open beyond a certain level of management. In general, there are far fewer women in managerial positions in industry than in the corresponding levels in the Civil Service or some

of the professions. Naturally, this is a deterrent to qualified women who might otherwise enter industry and this must add to the overall difficulty of recruitment.

67. It was mentioned that students who had a diploma in technology and were trained on the sandwich course system seemed to have adjusted more easily to industry than had graduates without previous industrial experience. This diploma, however, is too new for it to be possible to compare subsequent performance with that of graduate entry. It is also possible, however, that a year in industry before proceeding to the university would be of benefit to many students as well as to the companies. Planned vacation experience at shop floor level can also be a valuable form of initial training for undergraduates who are planning to enter industry later and should help to relate their academic studies to industrial reality. The Crick Committee<sup>60</sup> has recently recommended a sandwich course in business studies. This would be a commercial equivalent to the diploma in technology, and would be of degree standard.

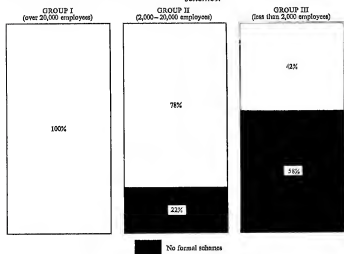
### C. Management Development Schemes

68. In reply to the question:—

“Does your company have a formal scheme for management development?”

sixty five of the 102 companies replied that they had such schemes, 34 said “no” and three did not answer. All of these in Group I had schemes and there were proportionately fewest in Group III. Some of these schemes were in fairly experimental stages, others had been developed over a long period and highly sophisticated techniques were used.

Diagram 6. *Proportion of companies having formal management development schemes.*



Source: Appendix III Table 4.1, page 43

(i) Report of the Advisory Sub-Committee on “A Higher Award in Business Studies” by the National Advisory Council on Education for Industry and Commerce, 1964.

69. The companies were also asked whether, if they had a formal scheme for management development, it covered:—

- (i) regular appraisal of staff,
- (ii) on the job training,
- (iii) release for formal training, and
- (iv) plans for management succession up to top executive level.

Most of the schemes covered all these, but 10 of the 65 did not cover plans for succession to top executive level (Appendix III, Table 4.2, page 44).

70. One large group of companies defined its policy as follows:—

"The policy of the group is not to recruit management trainees as such. Apart from the recruitment of already qualified staff as need arises, it is to recruit potential production and other types of engineers, metallurgists, accountants, salesmen, etc.; attempt to provide sound basic training; observe them during the post-training period in which they tackle their first commission and then, if they appear to have above average aptitude for organising work and influencing people, attempt to provide them with opportunities to develop their ability to manage and perhaps ultimately to direct men."

71. One of the main functions of a management development scheme is to estimate the needs for future managers. One company mentioned that it estimated staff requirements for 15 years ahead, and calculated that it took 10-15 years to develop a fully trained manager capable of supervising a new factory or branch.

72. A second objective is to identify the talent already in the company, particularly men of special promise who are suitable for quick promotion. This usually leads to the introduction of a scheme for the systematic appraisal of each executive, generally carried out annually.

73. A third objective is to make the entire managerial staff aware of the need for training their juniors, helping them to develop their own capabilities and raising standards of management performance throughout the company. It also pinpoints the need for taking special measures such as assignment to formal courses.

74. In large groups of companies the degree of centralisation of the management development scheme varied. Policies were sometimes determined centrally but their implementation was a responsibility of the operating companies. Sometimes central records were kept for men over a certain salary level selected for potential higher promotion.

75. Many companies emphasised that to be successful a management development scheme must have the full backing of the Board and should preferably have a Director at its head.

76. Some of the methods used to improve managerial talent were as follows:—

- Training on the job
- Job rotation
- Release for training and educational courses within or outside the company

Assignments abroad

Experience of management of a small branch or subsidiary company

Transferability between departments or between branches or subsidiaries

Assistance to the head of a department

Exchange with overseas companies

Cross postings and special assignments.

77. One of the companies whose recruits were mainly specialists of various kinds said that the process of development was largely one of "despecialising the specialists" before they could be promoted. Another said one method they used was:—

"Formation of a management development group of possible/probable managers between the ages of 30 and 40 to study and, if possible, solve company problems outside their normal run of duty and so to widen their knowledge of the company's business."

78. Smaller companies also have to make plans for the future and, perhaps even more than the larger companies, to develop the capacities of the few managers they have. Some had quite sophisticated schemes, but less than half of those in Group III claimed to have any kind of scheme. While there may be some cases in the very small firms where a formal scheme is not necessary, one might conclude that there are many small firms which need to give more consideration to management development.

79. One large company gave the following description of its scheme<sup>(i)</sup>:—

"Candidates are normally selected for management training by the time they are 26. . .

"Initially they spend up to 2 years working in all sections of the business and during this period they will attend a residential one month course at our training centre.

"Detailed progress reports are made on the completion of each stage of the training programme and these point the way to the initial appointment which is at the junior management level.

"Thereafter annual reports are made and candidates with the potential for higher management posts are trained by job rotation and formal courses (both internally and externally organised).

"Planning for top management succession is reviewed by the Company's executive committee of directors."

80. Some large companies and groups of companies have decentralised a good deal more responsibility to local divisions or subsidiary companies. This process is partly aimed at developing management potential by giving greater responsibility to young managers.

81. Although nothing is known about the practices of those companies which did not reply to the questionnaire, it might be presumed that they were those least interested. It is only possible to say with certainty that approximately a quarter of the companies in the total sample had formal development schemes.

---

(i) See Appendix IV, page 50 for other descriptions given by the companies.

#### D. Courses of Study for Management Training and Education

82. Several companies stated that attendance at management courses should be carefully planned to fit in with the company's management development scheme. In other words, the manager should be released for a formal course which meets his particular needs at the moment in his career when he most requires it, often before promotion to a new level of management. One company said:—

“Industry must be more scientific in its analysis of training needs, nomination for courses and assessment of courses.”

83. The type of course needed may have to be adjusted according to the previous training and experience of the individual. For instance, an engineer about to be promoted to a management job might need a course in industrial relations; an accountant a course in production or marketing methods.

#### *Objectives of management courses*

84. The main objectives of post-experience management courses are generally regarded as including the following:—

- (a) To teach new techniques—such as value analysis, critical path scheduling, data processing and computer techniques—or subjects basic to management science—for instance, accountancy, statistics, economics, behavioural science, work study and operational research. It is also essential to demonstrate how these subjects overlap and are inter-dependent.
- (b) To teach general management, organisation, control and administration and to develop the capacity for analysing business problems.
- (c) To bring together a cross section of managers from different functions of business, for instance, marketing, production and accounting so that they may become better aware of the problems of other functional specialists and hence of the problems of general management.
- (d) At a later stage, to broaden the outlook of the manager, to take him away from his day to day work, to give him an opportunity of working with his opposite numbers in other firms or other types of occupations and to improve his skills and capacity for making the right decisions and seeing that these are successfully carried out. Such courses are sometimes called “executive development” courses.

85. Courses for educating and training managers were provided by some companies, some industries and various external sources.<sup>(i)</sup>

86. Forty-three of the companies had formal courses provided by their own company or company group, and 35 had courses provided by their industries. Seventy-eight companies thought there was a need for outside educational courses as well. Twelve neither had courses provided by their companies nor industries, nor thought there was any need for external courses; of these, 9 were in manufacturing industry and 3 in distribution and all were in the smallest size group (Appendix III, Tables 5.1 and 6.1 pages 44 and 45).

(i) A list of the main sources of provision of management courses is given in Appendix VIa. The best list of available courses in the U.K. is in the British Institute of Management's *Conspectus of Management Courses*, 1963, and for Europe, the *European Guide to General Courses in Business Management*, OEEC 1960 (now somewhat out of date, and being revised).

### Company and industry courses

87. Of the companies which use company or industry courses, some gave the number of managers who had attended courses during the last three years as follows:—

	Company courses	Industry courses
Number of companies replying	35	24
Number of managers attended courses	7,938	526
Percentage of total managers	34 %	9 %

(Appendix III, Table 5.2 page 45)

88. Ninety-one per cent of the companies who used company schemes and 69 % of those using industry schemes thought the results were satisfactory and gave as evidence, among other indications, the fact that senior managers continued to send their junior managers to them. (Appendix III, table 5.3, page 45). This is a good indication but is not a very scientific basis for assessing the effects of courses. Some research into methods of evaluation has been carried out<sup>(i)</sup> but more is needed, particularly as the benefits are often long term rather than immediate.

89. Some companies employed consultants or other outside specialists to run courses within the company to get new techniques started. The instruction given by visiting consultants was mentioned as being a valuable way of educating managers.

90. Both the company and industry courses covered a wide range of subjects. The subjects most widely taught were general management, work and method study, labour relations, accounting and communications, in that order. Lectures were the method most used, next were discussions and then case studies, projects and syndicates. Most of the courses were fairly short—out of 86, only 22 lasted more than three weeks and 37 lasted a week or less.<sup>(ii)</sup>

### External courses

91. The companies were asked:

"In developing the skill of your managers at various levels do you find a need for outside educational courses in addition to training within the company, company group or industry?"

Of the 78 companies who expressed a need for external courses, 68 said these were needed to increase knowledge of particular subjects or techniques, 56 that they were needed to develop qualities of character or personality, and 76 to increase knowledge and understanding of the general problems and principles of management. (Appendix III, Table 6.2 page 46).

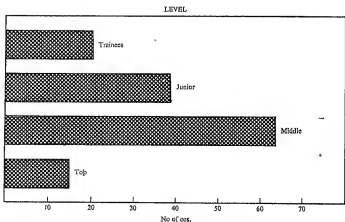
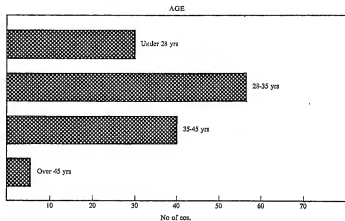
### Age and levels of management most needing educational courses

92. The companies were asked to identify, from four age groups and four levels of management, the groups and levels for whom outside educational

(i) Acton Society Trust, "Training Managers", 1962.

(ii) Details of subjects, methods and lengths of company and industry courses are given in Appendix V

Diagram 7. Age and level of management where greatest need for external courses was identified



Source: Appendix III Table 6.3, page 46



courses were most needed. Some companies identified more than one age or level. A need for courses for each of the age groups mentioned (under 28, 28-35, 35-45, over 45) was expressed, but the greatest need was for the 28-35 age range, the next for the 35-45 age range. Middle management was the level for which a need for courses was expressed most often (by 63 companies) with junior management coming next (by 38 companies). (Appendix III, Table 6.3 page 46).

93. Views on the type of external courses for which there is the greatest need were so varied that it was difficult to get a general picture, but the answers are summarized in Appendix VIb page 56. The need varied partly according to the size of the company. For the big companies, most of whom have their own internal training courses, external courses appeared to be wanted mainly either for middle or junior managers to learn new techniques or for the purpose of executive development. A specific need for more outside courses in economics and operational research was mentioned amongst many other subjects.

#### **Needs of smaller companies**

94. Smaller companies, although they may do much training on the job, are often in the position where the external course is the only source of formal management training and education. Their problem, expressed frequently, was to be able to release managers for a sufficient length of time to attend courses. Hence, several firms mentioned a need for one-week concentrated courses in the new techniques; also for sandwich or block release courses, for instance three one-or two-week sessions spread over a year. The Diploma in Management Studies, which can be taken in three years' part-time study was mentioned with approval by some companies as serving this purpose. One-day courses, or one day a week spread over a period, were also suggested. A plea was made for courses to be more concentrated, and that the demands made on the managers attending them should be higher. It was mentioned that the expense of management training had to be considered very carefully by small firms.

#### **Comments on external courses**

95. "Fewer and better" sums up a good deal of the comment about external courses; the general opinion was that there were plenty of these but that the quality of some courses could be improved. One managing director complained of the number of seminars and said:

"My morning mail invariably contains one or two invitations to these irritating gatherings which seem to be largely a method of publicity for their organisers."

#### **He favoured**

"Well defined courses at acceptable schools or universities, and those attending chosen because of special qualities which not all have."

Another company said it had already been notified of nearly a thousand courses to take place in 1964.

"Better quality courses with top quality teachers which might attract practising managing directors who can influence management development in their own companies"

was another suggestion. Another was

"The importance of quality, thorough course preparation and the maintenance of exacting teaching standards."

There were also criticisms that courses tried to cover too much ground and

would be better if they were shorter and went into specialised subjects in greater depth. Some courses were thought to be too academic in their nature and that

"Organisers of management education and training would probably have a better understanding of industrial problems if more had practised in industry at management level."

Some courses may need improvement in quality, but it seems hard to believe that there are really too many, if industry were more aware of the need for training and educating its managers. As Lord Franks said in his report, with reference to the existing work in education and training for management, "It is all needed and more."<sup>(i)</sup>

96. It is extremely difficult, particularly for medium and small companies, to know which to choose from the numbers of courses on offer. Two companies stressed this point:

"It is difficult to decide on the merits of each course. It is a case of 'the devil you know'; where one course has been used and seems to give the right answers, the inclination is to stick to it."

"There is a great need for any establishment offering business training to indicate as clearly as possible the level and type of training the course has to offer."

97. The problem is less acute for the big groups of companies, some of which have training officers whose job it is to find out about the available courses and circulate lists of those recommended to their local divisions or subsidiary companies.

#### **Rationalisation of management courses**

98. Some suggestions were also made as to how management training courses might be "rationalised":—

- (a) *Locally.* "In the past there has been a great deal of duplication of effort. Active co-operation between industries and their local universities and colleges would be valuable in determining training needs and would result in more purposeful training in these institutions."
- (b) *Regionally.* "A number of regionally distributed places of management education are certainly required. Ideally there should be voluntary agreement by these schools to a classification (not merely a description) which would not only help a business to select that most suited to its needs, but which would also weed out the less competent schools."
- (c) *Nationally.* "There is need for a central organisation capable of collating information on internal and external management training on a continuous basis and acting as a clearing house for new ideas on management development, techniques and training methods. Liaison between companies and education on training methods is too scanty both at local and national level."

---

(i) British Business Schools, Report by the Rt. Hon. Lord Franks, British Institute of Management, 1963.

There are however a number of organisations, both governmental and non-governmental, as for example the United Kingdom Advisory Council on Education for Management and the British Institute of Management, which are already attempting, in different ways, to fill some of these needs; but there is not yet sufficient co-ordination either at national or local level.

### **The length of courses**

99. Few companies wanted to release their middle managers for courses of longer than three months or their senior managers for more than one month. Some were doubtful about being able to second managers for as long as the twenty weeks' course proposed for the new business schools and a few were doubtful about the advisability of the one year postgraduate course. But nearly all of the companies who specifically mentioned the proposals for the business schools said that they proposed to support them and to try the courses offered.

### **Methods of teaching**

100. There was a marked preference for "participative methods" of teaching and approval of case studies and syndicates; also a demand was made that courses should be as "practical" as possible. One company said the requirement was:—

"Lectures, syndicate work, individual projects, case studies and exercises, reading and time to think."

and another

"The greater the participation, the greater the value."

Amongst other teaching methods mentioned as useful were management games, training films and programmed learning.

### **Subjects on which external courses were said to be needed**

101. The subjects which received most frequent mention were: general management, management techniques, costing, economics and technology. For the smallest size group the subjects for which there seemed to be the most specific need were—costing, work study, technology and finance (Appendix VIb page 56). Some companies had special suggestions, for instance, a need for courses "in depth" to teach the new techniques, as opposed to "appreciation" courses.

"The more difficult technical management subjects, critical path analysis, operational research, ergonomics, cybernetics, etc. are taught to appreciation level but not in real depth. These are more useful than econometrics as they can help to improve productivity—econometrics teaches a man to be expert in calculating trends of affairs without his own intervention. We would rather have people who can do something and are prepared to try it."

102. There was also a demand for more courses in marketing and sales. One company thought that these should be taught by experts from the U.S.A. or the Continent.

"The importance of marketing to Britain merits separate departments, chairs and faculties at technical colleges and universities."

103. Communication was also considered to be an important subject by one firm which said:—

“There is certainly room for comprehensive courses on communication at junior and middle management level. For convenience training of this length might be spread sandwich-wise over a year.”

104. Courses in the use of computers as an aid to management and for the retraining of managers to meet the problems of automation were among others mentioned in special comments.

#### **Relations between industry and educational establishments**

105. The replies clearly suggest that there is a need for better understanding between industry and the universities and colleges offering management courses as well as between industry and the schools. It would be valuable if more companies took an interest in the curricula of secondary schools and colleges of further education. Some comments by companies were of particular interest.

“The university courses seem most valuable when they deal with the context within which business operates—economic, political and social; they are least effective when they respond to external suggestions and attempt to be “practical” at the level of the individual firm. Tutorial guidance in small groups—where a university teacher competent in an academic discipline relevant to business joins with managers experienced in other ways—is an excellent learning combination. The role of teacher and course members are in this situation complementary and not that of an instructor with a class. The combination is less successful when a university teacher feels he must show himself familiar with the actual problems confronted by managers. The value which managers derive from contact with a university teacher is simply that he sees business matters in a different perspective. This makes him a student as well as a teacher and this is the most practical basis for learning among adults. The best summer schools recognise this. The worst don't. It takes time for a useful relationship to develop between staff and students. All short general courses are suspect. Something seems to be done in four weeks or more. Nothing is done in less except in specialist courses.”

“We should seek to improve the means by which the respective functions and values of higher education and of business as a whole may be mutually evaluated on a basis of common knowledge rather than of prejudice and misunderstanding.”

“There is a good deal of study in the universities in the social sciences, industrial relations, etc. It would be of interest if the results of investigations could be more widely publicised by the universities through local meetings.”

106. One large company described a concentrated one-week course on management techniques for its senior managers which had been arranged in collaboration with the local university and college of advanced technology, the results of which had been very satisfactory and which it was proposed to repeat.

## **Closer integration of theory and practice**

107. This is one of the basic problems of management education and some comments were made on the subject.

"In management training, theory and practice must be more closely integrated. The process of decision-making is learned more by taking decisions and measuring their effect than by analysing the principles. More training through research projects and the study of existing problems is required."

"A successful course should set in motion an improved type and rate of development when the manager returns to his job . . . Experience in management is still the best teacher. The distillation of principles from practice is the underlying purpose of our internal management courses."

"I suggest we study some of the successful businesses of the world and see if we can find their secret . . . I do not think the secret lies with business schools alone but rather with an extended education at an early age whether in the university, the company or the business school, e.g. a Swiss engineer is a real professional when he leaves the university and an English one is not—compare the study hours of the two."

## **Courses for retail and wholesale firms**

108. The response to the questionnaire from retail and wholesale firms was disappointing. Several thought that it was not relevant to their problems. The co-operative societies do a great deal of staff training in internal courses; the need for outside courses was mentioned by some of them as well. One retail firm had this suggestion to make:—

"All the best current courses in management education and training are constructed around the problems of the manufacturing industries . . . We should like to see intensive high level courses for retailers or at least suitable for retailers and others alike. This point might well be considered in implementing the Franks Report."

## **Re-training existing managers**

109. "For many more years to come there will be a need for careful consideration of the re-training of managers who have had no full-time course of study since leaving school,"

wrote one company, and this is a problem very relevant to the present situation where young men with advanced academic qualifications are working alongside men of experience who have had no formal education since their schooldays. But it is far from being a once-for-all problem. The increasing speed of technological change and the development of new methods of management control are making the necessity for re-training a continuous process which is likely to accelerate rather than diminish in the future. Managers have a need for courses to bring them up to date with new developments. One company said:—

"You can't introduce real change from the bottom. Unless industry can be persuaded to educate and continually re-educate top management, it will tend to mummify."

### Extent of use of external courses

110. Seventy companies gave the numbers of their managers who had attended outside educational courses in the last three years and 3,733 managers had done so. This meant that approximately 5 per cent of the managers of these companies had attended some kind of external course annually. The proportions attending the various types of courses were as follows :—

	per cent
Universities and C.A.T.'s	13
Technical Colleges	26
Henley Administrative Staff College	3
Consultants	11
Others in the United Kingdom	46
Others overseas	1
	<hr/> 100 <hr/>

(Appendix III, table 7 page 46)

This shows the extent to which independent courses are used, in spite of the necessarily higher costs. It should be mentioned that although the companies, as is apparent from some of the quotations, made some general criticisms of courses, there were also many favourable mentions of the value of particular colleges and courses.

### E. Finding Teachers and Organising Research Projects

111. "How many managers teach in management courses, and could this number be increased? Could some practical experience or suitable opportunities for research be provided in firms for teachers, if educational authorities wished to send them?"

In the largest firms many managers teach in management courses of one kind or another—within the company or group, at technical colleges and a few in universities and colleges of advanced technology.

112. Fewer managers from the medium-sized firms teach, and more give occasional lectures rather than regular courses. Even some small firms have, however, established valuable contacts with local education authorities and provide managers not only for occasional lectures in management courses within the company and the industry but also in educational establishments, particularly technical colleges. One or two firms commented that it was difficult to justify further encroachment on the limited leisure and home life of managers, and that, financially, it was not worth while for them to teach externally. In general, the smaller firms stressed the difficulty of making managers available even when the individual was willing.

113. The majority of companies thought more could and should be done to increase the number of managers who teach. It was suggested that colleges and universities should provide special lectureships on a part-time or full-time basis for executives in industry, offering salaries consistent with industrial earnings to attract the best material<sup>(i)</sup>. Management consultants were said to be good teachers of management, sometimes superior to academic teachers, some of whom were very "naïve". (Consultants themselves usually have a university degree or professional qualification followed by several years' experience in industry, and a

(i) In Germany, Switzerland, U.S.A. and France dual appointments are common in industrial and higher educational organisations.

short period of special training as well as subsequent close contacts with industry.) Some companies thought it was very good experience for their managers to give classes: it made them consider their own jobs from a new angle.

114. Only a few companies gave full details of the numbers of their managers who teach. The following table analyses this information:

Numbers of managers who teach

	Regular courses (Over 6 months)		Shorter regular courses		Occasional courses		Occasional lectures	
	No. of managers teaching	From no. of cos.	No. of managers teaching	From no. of cos.	No. of managers teaching	From no. of cos.	No. of managers teaching	From no. of cos.
Inside the co. or group	5	1	799	24	515	21	925	31
Within industry	18	3	123	7	39	7	211	28
Universities	6	1	11	2	20	4	59	12
Colleges of advanced technology	15	7	6	2	45	8	61	11
Technical colleges	150	21	44	6	58	10	153	25
Others	3	2	6	3	37	5	71	11

(Appendix III table 8 page 47).

More than half the companies replying thought these numbers could be increased, also that some practical experience or suitable opportunities for research could be provided for teachers if educational authorities wished (Appendix III, tables 9 and 10 page 47).

### Research projects

115. There were two main suggestions as to how research opportunities could be provided. The first, development of local contacts between firms and educational authorities, and the second, by the establishment of a central authority which could relate the needs to the sources of supply. The replies considered three categories of research workers:—

- Research students who wish to undertake a definite line of research of their own choosing;
- Students who would like to do research into an unspecified subject, for whom industry is asked to suggest the most profitable and pressing line of research;
- Teachers from business training departments or colleges who wish to obtain practical experience as background to subjects they are going to teach.

116. A number of companies already accepted research groups in some of their factories—both from universities and from technical colleges. The company normally specified the project, and the amount of time it might occupy

per week over a given number of terms. Such arrangements were not confined to the largest firms, and were usually derived from local contacts, and such contacts might be further developed. However, many firms were doubtful whether any practical experience of management in industry could be given to teachers from business training departments. It would take too long and the teacher could not be given real responsibility. He could however be given opportunities for research and for supervising research projects carried out by students.

117. It was emphasised that any research undertaken should have a practical basis both for the company and for the student. One company already had an arrangement with a technical college whereby students assisted in the development of the firm's computer applications while they learned the commercial uses of a computer.

118. It was suggested that more arrangements might be made for attachment of students to a firm for periods of up to three months and that secondments for a similar period from industry to universities for research or teaching might be considered. To get the maximum value, however, advance planning is necessary to devise projects of value both to the students and teachers and to the company and to give adequate time to meet particular points of difficulty, e.g. problems of access to confidential data and full consultation with the various departments or other organisations which might be concerned.

119. The following were some other suggestions about research made by the companies:—

"The universities should engage in much more research into the process of management in conjunction with industry and use this in their subsequent findings as a basis for training managers."

"Management education demands more research into the nature and working of a human group. Teamwork is essential, but there are dangers (already experienced in America) of arriving at the lowest common denominator. The conscious inclusion in the team of the rarer, more individual spirit, less easy because less conceding, must be considered, for he it is who makes an industry or organisation go forward. He is not of necessity a backroom boy."

"Possibly graduates could carry out research in industry and qualify for a higher degree at the local college of advanced technology or university. Given confidence on both sides there is no reason why academic supervision should not be adequate—this is done in the U.S.A. and many European countries and should help to ease the shortage of scientific manpower."

There is indeed a need for more high level research into many problems of business management which have hitherto not always been regarded as suitable subjects for research at university level; projects undertaken in co-operation between the universities and industry are likely to have more practical applications than some of those planned by theorists who have had little contact with the business world. More post-graduate grants might well be allocated for such research. Nevertheless, many research projects have already been completed or are under way and there is also a need for more effective methods of disseminating information about them to managers who are in a position to make practical use of the results.



## THE INQUIRY: METHODS USED

A questionnaire was sent to the managing directors of a stratified random sample of 238 companies, representing more than 1,900 companies, all with net assets of over £500,000 ; also to some co-operative societies. The sample was intentionally drawn in such a way that the larger companies were more heavily represented, as it was thought that they would have more experience to contribute than the smaller companies.

Replies were received from about 170 companies of whom 42 said they were unable to give any help in the survey for various reasons. Nine sent some information in letters and of the remainder 102 sent questionnaires which were completed sufficiently fully to be analysed although some of the questions were not fully answered by every company. The largest company which replied had about 90,000 employees and the smallest about 100. Some of the companies in the sample turned out to be large groups of holding companies and in this case sometimes only one of the companies returned the questionnaire.

The questionnaires were analysed into three size groups (by numbers of employees) which correspond approximately to the classification by asset size used in drawing up the sample.

	<i>Number of Companies</i>	<i>Approximate Response Rate</i>
Group I—Companies with over 20,000 employees . .	19	95%
Group II—Companies with over 2,000—20,000 employees . . . . .	38	74%
Group III—Companies with less than 2,000 employees . . . . .	45	27%
	<hr/>	<hr/>
Total . . . . .	102	43%
	<hr/>	<hr/>

The replies were subsequently summarized, and an analysis is given in Appendix III. On the following page is an analysis of the companies by the main standard industrial classifications as well as by the regions in which their head offices were situated.

# Analysis of the 102 Companies by Industry and Region

## INDUSTRY

<i>Manufacturing industries</i>	<i>Companies replying</i>
Food .. .. .	3
Drink .. .. .	9
Tobacco .. .. .	1
Chemicals and allied industries .. .. .	7
Metal manufacture .. .. .	10
Engineering goods .. .. .	13
Electrical goods .. .. .	6
Shipbuilding, etc. .. .. .	1
Vehicles .. .. .	4
Other metal goods .. .. .	5
Textiles .. .. .	12
Clothing and footwear .. .. .	2
Bricks, pottery, glass .. .. .	5
Timber, furniture .. .. .	1
Paper, printing, etc. .. .. .	7
Other manufacturing .. .. .	1
	<hr/>
	87

## *Distributive and service trades*

Construction .. .. .	3
Transport and communications .. .. .	2
Wholesale distribution .. .. .	4
Retail distribution .. .. .	4
Miscellaneous services .. .. .	2
	<hr/>
	15

GRAND TOTAL: 102

## REGION

London and South East .. .. .	51
Eastern .. .. .	3
South West .. .. .	4
Midland .. .. .	10
North Midland .. .. .	8
North West .. .. .	5
East and West Riding .. .. .	8
Northern .. .. .	5
Scotland .. .. .	7
Wales .. .. .	1
	<hr/>

GRAND TOTAL: 102

Note: The London Region includes head offices of some companies whose works may be located elsewhere.

## THE QUESTIONNAIRE

### Covering letter to Managing Directors

National Economic Development Office  
21/41 Millbank  
London, S.W.1  
2nd March 1964

Dear Sir,

For the report "Conditions Favourable to Faster Growth", which we published in 1963, we made a survey of the educational facilities at present available to management in this country.

We should now like to relate the demand side of the problem to existing facilities and therefore have drafted the attached questionnaire. This is being sent to a small random sample of companies and your company has fallen within this sample. The questionnaire aims to identify the problems facing industry when seeking suitable recruits for managerial positions, also how company and industry schemes, and outside educational courses help to train and develop them.

Such information would help us to appraise the present system of education for business and for management, and to assess the developments needed in existing facilities.

One of the conclusions of last year's report was that there was a need for at least one high level business school to give a lead and provide a focal point for management education. This conclusion has since been endorsed by the Robbins Committee and the Franks Report has pointed the way to its implementation. Although it is not the primary object, our present questionnaire may throw additional light on the place which the new business schools should occupy.

Throughout the questionnaire we are excluding charge hands, foremen and supervisors from our definition of "managers", but we include personnel who are in responsible decision-making staff positions, as well as those engaged in direct line management.

We should be very grateful if you would fill in this questionnaire, or as much as you can, and return it if possible by March 31st, 1964.

Yours truly,

T. C. FRASER  
Industrial Director

## Questions to Managing Directors

(Please tick appropriate ☐ or insert relevant number)

### 1 Do you have any particular difficulties in finding suitable personnel

(i)  
for recruitment into company training schemes aimed at providing sources from which MANAGERS\* are drawn?

Yes ☐ No ☐

(ii)  
for recruitment or promotion to management positions other than through your company training schemes?

Yes ☐ No ☐

If so, are these difficulties due to

(a) lack of the necessary personal qualities

Yes ☐ No ☐

Yes ☐ No ☐

(b) lack of adequate academic qualifications

Yes ☐ No ☐

Yes ☐ No ☐

(c) lack of adequate professional or technical qualifications

Yes ☐ No ☐

Yes ☐ No ☐

(d) other reasons

Yes ☐ No ☐

Yes ☐ No ☐

Please mention any special problems in relation to above.

(a)

(b)

(c)

(d)

### 2 During the last three years, what was the total

(i)  
Intake of trainees to schemes for providing future managers ?

☐

(ii)  
Recruits or promotions to first management positions ?

☐

How many of these had obtained qualifications from :

(a) Universities or Colleges of Advanced Technology?

☐

☐

(b) full time Technical College courses?

☐

☐

(c) part time study of professional or technical subjects ?

☐

☐

(d) how many have had no formal education since leaving school?

☐

☐

To what extent has their educational background affected the performance of these management trainees and managers?

\*Throughout this questionnaire we are only considering managerial positions above foreman and supervisory level.

- 3 How many trainees recruited into schemes for providing future managers during the last three years are no longer in your employment?

☐

What were the reasons for their departure?

for instance Did you decide they were unsuitable? Yes ☐ No ☐

Did they leave to improve their positions? Yes ☐ No ☐

Did they leave of their own free choice for other reasons? Yes ☐ No ☐

- 4 Does your company have a formal scheme for Management Development .. .. . Yes ☐ No ☐

If so does it cover :

(i) Regular appraisal of staff .. .. . Yes ☐ No ☐

(ii) On the job training .. .. . Yes ☐ No ☐

(iii) Release for formal training.. .. . Yes ☐ No ☐

(iv) Plans for management succession up to top executive level Yes ☐ No ☐

Please give some description of the methods used.

- 5 Are formal courses for training and/or educating managers provided:  
 (i) by your own company or company group? .. .. . Yes ☐ No ☐  
 (ii) by your industry? .. .. . Yes ☐ No ☐

If so:

How many of your management staff in the last three years have attended courses under: (i) ☐

(ii) ☐

What are the principal components of these courses in

Subjects?

Methods of teaching?

Length of courses?

Do you find the results satisfactory ? .. .. . (i) Yes ☐ No ☐

(ii) Yes ☐ No ☐

Please give reasons for your answer.

- 6 In developing the skill of your managers at various levels, do you find a need for outside educational courses in addition to training within the company, company group or industry?

Yes ☐ No ☐

If so:

(i) Are these needed

- (a) to increase knowledge of particular subjects or techniques? .. .. . Yes ☐ No ☐
- (b) to develop qualities of character or personality? .. Yes ☐ No ☐
- (c) to increase knowledge and/or understanding of the general problems and principles of management .. Yes ☐ No ☐

(ii) At what age or ages and for what levels of management would you identify your greatest need for courses?

<i>Age</i>				<i>Level of Management</i>			
(a)	under 28	..	.. <input type="checkbox"/>	Trainees	..	..	.. <input type="checkbox"/>
(b)	28-35	..	.. <input type="checkbox"/>	Junior	..	..	.. <input type="checkbox"/>
(c)	35-45	..	.. <input type="checkbox"/>	Middle	..	..	.. <input type="checkbox"/>
(d)	Over 45	..	.. <input type="checkbox"/>	Top	..	..	.. <input type="checkbox"/>

(iii) Could you specify broadly the type of course for which there is the greatest need in regard to lengths, subjects and methods?

(iv) For what specific subjects is there a need for more outside courses?

7 How many of your executives have in the last three years attended outside educational courses offered by:

Universities or Colleges of Advanced Technology	..	<input type="checkbox"/>
Technical Colleges .. .. .	..	<input type="checkbox"/>
The Administrative Staff College at Henley	..	<input type="checkbox"/>
Consultants .. .. .	..	<input type="checkbox"/>
Others* in the United Kingdom	..	<input type="checkbox"/>
Others overseas .. .. .	..	<input type="checkbox"/>
Total..	..	<input type="checkbox"/>

Any views you have on these courses would be very helpful, particularly with regard to the length of the course, subject matter, quality and methods of teaching, and, so far as you can judge, the effects on those attending them?

\*Please specify

- 8 Please give the approximate numbers of your managers who now teach in any of the following types of management courses.

	Regular Courses (over 6 months)	Shorter Regular Courses	Occasional Courses	Occasional Lectures
Inside the company or group of companies ..				
Within the industry ..				
In Universities .. ..				
In Colleges of Advanced Technology .. ..				
In Technical Colleges ..				
Others .. .. .				

- 9\* Could these numbers be increased? Yes ☐ No ☐
- 10\* There is a great shortage of teachers of management subjects with suitable qualifications. Could you provide some practical experience or suitable opportunities for research in your firm for teachers if educational authorities wished to send them to you? Yes ☐ No ☐

Have you any suggestions as to how this could best be organized ?

- 11 Please add any further points on the changes you think are needed in management education and training.

\*In these questions an answer would not imply any definite commitment.

Name of Firm

Numbers of separate establishments or branches

Total employees

Approximate number of people in:	Numbers with	
	Total number	Professional, academic or similar qualifications Scientific or or technological qualifications
1 Top management, higher executive level .. .. .		
2 Middle management .. ..		
3 Junior management .. ..		
4 Scientists, engineers and technologists engaged in research or development .. .. .		
5 Scientists, engineers and technologists (engaged in activities other than 1-4) .. .. .		
6 Other professional people engaged solely in professional work ..		
7 Technical, clerical and administrative workers .. .. .		
8 Foremen and supervisors ..		
9 Other employees .. .. .		

Note: We realise the definition of these terms is bound to be somewhat arbitrary but we must leave this to you.

Please return to:

Mr. T. C. Fraser  
Industrial Director  
National Economic Development Office  
21/41 Millbank  
London, S.W.1

by March 31st 1964



## ANALYSIS OF REPLIES TO QUESTIONNAIRE

## QUESTION 1

Do you have any particular difficulties in finding suitable personnel ?

Table 1.1

*Number of companies*

			(i) for recruitment into company training schemes aimed at providing sources from which managers are drawn				(ii) for recruitment or promotion to management positions other than through your company training schemes			
			Group I	Group II	Group III	All Groups	Group I	Group II	Group III	All Groups
Yes	..	..	9	12	11	32	10	15	21	46
No	..	..	9	21	19	49	6	20	23	49
N.A.	..	..	1	5	15	21	3	3	1	7
Total	..	..	19	38	45	102	19	38	45	102

Of the companies which have difficulties, they are due to :

Table 1.2

*Number of companies*

		Group I (9 Cos.)	Group II (12 Cos.)	Group III (11 Cos.)	All Groups (32 Cos.)	Group I (10 Cos.)	Group II (15 Cos.)	Group III (21 Cos.)	All Groups (46 Cos.)
Lack of —necessary personal qualities	Yes	7	11	9	27	6	11	18	35
	No	1	—	2	3	2	2	2	6
	N.A.	1	1	—	2	2	2	1	5
—adequate academic qualifica- tions	Yes	—	2	4	6	1	4	6	11
	No	8	8	7	23	5	8	15	28
	N.A.	1	2	—	3	4	3	—	7
—adequate professional technical qualifica- tions	Yes	1	4	4	9	5	9	7	21
	No	7	6	7	20	2	4	13	19
	N.A.	1	2	—	3	3	2	1	6
Other reasons	Yes	3	3	5	11	3	4	10	17
	No	1	1	2	4	2	2	4	8
	N.A.	5	8	4	17	5	9	7	21

## QUESTION 2

Annual average, over the last three years, of the total

**Table 2.1**

	(i) Intake of trainees to schemes for providing future managers				(ii) Recruits or promotions to first management positions			
	Group I	Group II	Group III	All Groups	Group I	Group II	Group III	All Groups
Number .. ..	1546	216	50	1812	1191	207	56	1454
Ratio to total managers ..	1:13	1:25	1:21	1:15	1:16	1:24	1:26	1:19
Number of companies replying..	16	29	20	65	15	29	36	80

Proportion of these who had obtained qualifications from

**Table 2.2**

*Percentages*

	(i) Trainees				(ii) First Promotions			
	Group I	Group II	Group III	All Groups	Group I	Group II	Group III	All Groups
(a) Universities and C.A.T.s ..	41	53	35	43	47	30	25	42
(b) Technical Colleges (full time) .. ..	11	6	8	10	5	5	9	5
(c) Part time study (professional or technical subjects) .. ..	4	11	30	6	30	36	39	32
No formal education since leaving school .. ..	24	28	27	25	18	29	27	21
Unknown .. ..	20	2	—	16	—	—	—	—

### QUESTION 3

How many trainees recruited into schemes for providing managers during the last three years are no longer in your employment?

**Table 3.1**

	Group I	Group II	Group III	All Groups
Number of recruits lost by companies over three years .. .. .	590	130	24	744
Percentage of trainees taken into schemes by these companies .. .. .	13%	20%	16%	14%
Number of companies replying .. .. .	16	25	13	54

The reasons for the departure of 563 of these 744 were analysed by 47 companies as follows:

**Table 3.2**

<i>Percentages</i>				
	Group I	Group II	Group III	All Groups
(a) Considered unsuitable by company .. .. .	15	29	8	18
(b) To improve positions .. .. .	59	32	63	53
(c) Own choice for other reasons .. .. .	26	39	29	29

### QUESTION 4

Does your company have a formal scheme for management development?

**Table 4.1**

<i>Number of companies</i>				
	Group I	Group II	Group III	All Groups
Yes	19	28	19	65
No	—	8	26	34
N.A.	—	2	—	3
Total	19	38	45	102

Of the companies which have schemes, these cover

**Table 4.2**

*Number of companies*

			Group I (18 cos.)	Group II (28 cos.)	Group III (19 cos.)	All Groups (65 cos.)
(i) Regular appraisal of staff	..	Yes	17	24	18	59
		No	1	4	—	5
		N.A.	—	—	1	1
(ii) On the job training	..	Yes	18	28	18	64
		No	—	—	1	1
		N.A.	—	—	—	—
(iii) Release for formal training	..	Yes	18	26	13	57
		No	—	1	5	6
		N.A.	—	1	1	2
(iv) Plans for management succession up to top executive level	..	Yes	16	22	15	53
		No	1	6	3	10
		N.A.	1	—	1	2

# QUESTION 5

Are formal courses for training and/or educating managers provided by

**Table 5.1**

*Number of companies*

	(i) your own company or company group				(ii) your industry			
	Group I	Group II	Group III	All Groups	Group I	Group II	Group III	All Groups
Yes	17	21	5	43	5	13	17	35
No	1	16	39	56	13	23	27	63
N.A.	1	1	1	3	1	2	1	4
Total	19	38	45	102	19	38	45	102

In companies which use company or industry courses, the numbers of managers who attended during the last three years are

**Table 5.2**

	Company Courses				Industry Courses			
	Group I	Group II	Group III	All Groups	Group I	Group II	Group III	All Groups
Number of companies replying	15	16	4	35	5	10	9	24
Number of managers attended courses	5671	2166	101	7938	264	213	49	526
Percentage of total managers of those companies	29%	57%	53%	34%	6%	17%	18%	9%

Of the companies which use courses the numbers which find them satisfactory are

**Table 5.3**

*Number of companies*

	Company courses				Industry courses			
	Group I	Group II	Group III	All Groups	Group I	Group II	Group III	All Groups
Yes	17	18	4	39	5	10	8	23
No	—	—	—	—	—	—	—	—
N.A.	—	3	1	4	—	3	9	12
Total	17	21	5	43	5	13	17	35

# QUESTION 6

In developing the skill of your managers at various levels, do you find a need for outside educational courses in addition to training within the company, company group or industry?

**Table 6.1**

*Number of companies*

	Group I	Group II	Group III	All Groups
Yes	18	33	27	78
No	—	4	17	21
N.A.	1	1	1	3
Total	19	38	45	102

These courses were needed to

**Table 6.2**

*Number of companies*

		Group I (18 cos.)	Group II (33 cos.)	Group III (27 cos.)	All Groups (78 cos.)
(a) Increase knowledge of particular subjects or techniques .. .. .	Yes	15	29	24	68
	No	3	2	2	7
	N.A.	—	2	1	3
(b) Develop qualities of character or personality .. .. .	Yes	17	22	17	56
	No	1	9	5	15
	N.A.	—	2	5	7
(c) Increase knowledge or understanding of general principles of management .. .. .	Yes	17	32	27	76
	No	1	1	—	2
	N.A.	—	—	—	—

The ages and levels of management identified as those in which there is greatest need for courses

**Table 6.3**

Age	Number of companies				Level	Number of companies			
	Group I	Group II	Group III	All Groups		Group I	Group II	Group III	All Groups
under 28	4	11	14	29	Trainees	3	8	9	20
28-35	16	23	17	56	Junior	10	15	13	38
35-45	11	15	13	39	Middle	16	26	21	63
over 45	—	1	4	5	Top	4	4	7	15

Note: Some companies gave more than one age or level

## QUESTION 7

How many of your executives have in the last three years attended outside educational courses offered by

**Table 7**

	Number of executives attended	Per cent	From: Number of companies	Percentage of total managers of those companies
Universities & C.A.T.s...	484	13	38	2
Technical Colleges ..	957	26	40	7
Henley Admin. Staff College .. .. .	110	3	22	1
Consultants .. .. .	424	11	44	2
Others in U.K. .. .. .	1,714	46	40	7
Overseas .. .. .	44	1	16	—
Total .. .. .	3,733	100	70	14

# QUESTION 8

Please give the approximate numbers of your managers who now teach in any of the following types of management course.

Table 8

	Regular Courses (over 6 months)		Shorter regular courses		Occasional Courses		Occasional Lectures	
	Number of managers teaching	From (No. of cos.)	Number of managers teaching	From (No. of cos.)	Number of managers teaching	From (No. of cos.)	Number of managers teaching	From (No. of cos.)
Inside the company or group	5	1	799	24	515	21	925	31
Within industry	18	3	123	7	39	7	211	28
Universities ..	6	1	11	2	20	4	59	12
Colleges of Advanced Technology ..	15	7	6	2	45	8	61	11
Technical Colleges ..	150	21	44	6	58	10	153	25
Others ..	3	2	6	3	37	5	71	11

# QUESTION 9

Could these numbers be increased?

Table 9

*Number of companies*

	Group I	Group II	Group III	All Groups
Yes	18	19	19	56
No	—	8	11	19
N.A.	1	11	15	27
Total	19	38	45	102

# QUESTION 10

There is a great shortage of teachers of management subjects with suitable qualifications. Could you provide some practical experience or suitable opportunities for research in your firm for teachers if educational authorities wished to send them to you?

Table 10

*Number of companies*

	Group I	Group II	Group III	All Groups
Yes	14	24	18	56
No	—	8	21	29
N.A.	5	6	6	17
Total	19	38	45	102

# SUMMARY OF BASIC STATISTICS

(Analysis of information provided by companies replying)

**Table 11.1**

	Group I (over 20,000 employees)	Group II (2-20,000 employees)	Group III (under 2,000 employees)	All Groups (i)
Number of companies	19	38	45	102
Number of employees (000's) ..	803.8 (77%)	204.8 (19%)	39.4 (4%)	1,048.0 (100%)

**Table 11.2**

Number of companies	19	35	44	98
Number of employees (000's) ..	803.8 (100%)	193.0 (100%)	37.6 (100%)	1,034.4 (100%)
Number of managers (000's) ..	23.2 (2.9%)	7.3 (3.8%)	1.7 (4.5%)	32.0 (3.1%)
Top ..	1.9 (0.2%)	1.1 (0.6%)	0.4 (1.1%)	3.4 (0.3%)
Middle ..	7.9 (1.0%)	2.1 (1.1%)	0.6 (1.6%)	10.5 (1.0%)
Junior ..	13.4 (1.7%)	4.1 (2.1%)	0.7 (1.8%)	18.1 (1.8%)

**Table 11.3**

Number of companies	17	33	44	94
Number of (000's):				
Research scientists ..	7.8 (1.0%)	1.0 (0.6%)	0.2 (0.5%)	8.9 (1.0%)
Other scientists ..	13.5 (2.0%)	2.3 (1.3%)	0.4 (1.1%)	16.3 (1.8%)
Other professional	2.1 (0.3%)	0.5 (0.3%)	0.1 (0.3%)	2.7 (0.3%)
Technical and clerical ..	135.9 (19.6%)	30.1 (17.0%)	6.4 (16.9%)	172.3 (19.0%)
Foremen and supervisors	25.6 (3.7%)	7.0 (3.9%)	1.4 (3.6%)	33.9 (3.7%)
Other employees	485.2 (70.1%)	130.1 (73.5%)	27.5 (73.1%)	642.9 (70.9%)

(i) These totals refer only to the companies replying and are not weighted.



The following gave details of the qualifications of their managers:

Table 11.4

	Group I	Group II	Group III	All Groups (i)
<i>Top managers—</i> Number of companies	12	33	39	84
Number of top managers (000's) .. .. .	0.8 (100%)	1.0 (100%)	0.4 (100%)	2.2 (100%)
with professional and academic qualifications (000's) .. .. .	0.4 (49%)	0.3 (30%)	0.1 (39%)	0.9 (38%)
with scientific and technical qualifications (000's) .. .. .	0.2 (27%)	0.3 (32%)	0.1 (35%)	0.7 (31%)
with no qualifications (000's) .. .. .	0.2 (24%)	0.4 (38%)	0.2 (26%)	0.6 (31%)
<i>Middle managers—</i> Number of companies	12	31	31	74
Number of middle managers (000's) ..	3.1 (100%)	1.9 (100%)	0.4 (100%)	5.5 (100%)
with professional and academic qualifications (000's) .. .. .	1.0 (33%)	0.4 (22%)	0.1 (24%)	1.6 (29%)
with scientific & technical qualifications (000's) ..	0.8 (25%)	0.6 (33%)	0.1 (32%)	1.6 (29%)
with no qualifications (000's) .. .. .	1.3 (42%)	0.9 (45%)	0.2 (44%)	2.3 (42%)
<i>Junior managers—</i> Number of companies	12	25	31	68
Number of junior managers (000's) ..	7.7 (100%)	3.3 (100%)	0.4 (100%)	11.4 (100%)
with professional and academic qualifications (000's) .. .. .	2.0 (26%)	0.4 (13%)	0.1 (25%)	2.5 (22%)
with scientific & technical qualifications (000's) ..	1.7 (23%)	0.9 (26%)	0.2 (36%)	2.7 (24%)
with no qualifications (000's) .. .. .	4.0 (51%)	2.0 (61%)	0.1 (39%)	6.2 (54%)

(i) These totals refer only to the companies replying and are not weighted

## EXAMPLES OF MANAGEMENT DEVELOPMENT SCHEMES

Descriptions of their management development schemes were given by a number of companies. The following are some examples:

### 1 Two Companies in Group I (over 20,000 employees)

#### *Company A*

Top level support and control. Monthly meetings are held of a concern (world-wide) personnel policy committee composed of the heads of four control groups with the head of personnel division as chairman. All members of the committee are directors of the parent board. The committee considers: management development policies; lists of men for top level replacement and development from senior management towards senior executive posts, and procedures in use throughout the concern for systematic management development. This covers integrated forecasting; appraisal; development and training; and planned recruitment.

Annual management reviews. These are carried out by company or operational unit; by the four territorial control groups; and, from time to time, by functional areas. These reviews are increasingly based on an integrated five-year plan at the level of the individual company.

Efforts to give priority in movement and in promotion to men on development lists. Experiments with different approaches to appraisal.

Use of a panel of senior men as selectors in central trainee recruitment as one means of developing consensus on standards and on problems of assessing career-potential.

Programme of internal courses.

#### *Company B*

All managements are responsible for the development of subordinate staff to ensure that sufficient men are available at the right time for succession. The early stages of this process are largely left in the hands of the operating divisions and no single system is insisted upon until men are recognised to have the potential to reach senior management level. From this stage upwards the company, through its personnel director, takes an increasingly close interest in the careers of individuals and in the filling of appointments.

Once a graduate has been recruited and given his initial posting his training and development is the responsibility of his immediate management. As well as the annual review of salary progress, the divisions commonly use a simple assessment procedure which has the following principal aims:

- (i) to recognise misfits
- (ii) to identify the most outstanding performers
- (iii) to forecast potential and to recognise training needs.

Each year the divisions are required to send the central personnel department lists of those who are recognised to have the highest potential and particularly those who are regarded as future members of division boards. No reports are made with these lists but from them the company is able to make a broad assessment of strengths and weaknesses in the various divisions and in the different streams of activity. When these lists have been analysed the personnel director with an appropriate colleague from the main board visits each division and discusses at first hand the probable and possible successors to each post on the division board. A record is made of these discussions which serves as a basis for manpower planning at the highest levels.

Recommendations for appointments to division directorships or to other posts of equivalent seniority are considered by the appointments committee of the main board, which meets monthly for this purpose.

## **2 A Company in Group II (2,000—20,000 employees)**

The programme covers all positions from junior management upwards; it operates through a series of management development committees.

A complete programme is prepared and reviewed each year by each department. This programme takes into account:

- (i) details of organisation structure
- (ii) appraisal of employees
- (iii) selection of replacements and compilation of replacement tables
- (iv) development plans for each employee in replacement tables
- (v) implementation of development plan

This programme is then forwarded for review to the appropriate management development committee.

Appraisal Interviews are keystones of the programme and include an interview between the employee and his superior. The development programme for an individual takes into account job rotation, special duties, special assignment, 'stand-in' replacements, attendance at outside courses.

## **3 A Company in Group III (Less than 2,000 employees)**

A standardised system of staff selection is in use which is aimed at selecting staff with management potential for technical positions.

Annual assessment of all staff with a view to additional training and/or promotion.

Regular assessment of executive ability on a standard form.

Use of executive development courses at technical colleges and special consultants' courses.

Preparation of on-the-job training schemes to suit each candidate's requirements. This includes planned 'horizontal promotions'.

A copy of the company organisation chart is kept showing proposals for management and executive succession.

# SUBJECTS, METHODS OF TEACHING AND DURATION OF IN-COMPANY AND INDUSTRY COURSES

Group I (Over 20,000 employees) Group II (2,000—20,000)

Group III (less than 2,000)

						Group I	Group II	Group III	All Groups
	<i>Subjects taught</i>						<i>Number of courses</i>		
1	Accounting .. .. .					9	6	5	20
2	Advertising .. .. .					2	—	—	2
3	Chairmanship and committee techniques ..					1	1	—	2
4	Communications .. .. .					7	7	1	15
5	Company policy .. .. .					4	1	—	5
6	Company structure .. .. .					3	3	—	6
7	Decision making .. .. .					1	1	—	2
8	Economics .. .. .					5	—	—	5
9	Effective speaking .. .. .					2	3	—	5
10	Finance .. .. .					4	2	1	7
11	Foreign languages .. .. .					1	1	—	2
12	General management .. .. .					9	15	7	31
13	Incentive schemes .. .. .					1	1	—	2
14	Industrial psychology .. .. .					1	—	—	1
15	Labour relations .. .. .					12	7	2	21
16	Labour utilization .. .. .					—	1	—	1
17	Letter writing .. .. .					—	1	—	1
18	Marketing .. .. .					3	3	—	6
19	Method study .. .. .					6	2	2	10
20	Operational research .. .. .					1	1	—	2
21	Organisation .. .. .					7	2	1	10
22	Productivity .. .. .					—	2	—	2
23	Quality control .. .. .					1	2	—	3
24	Report writing .. .. .					3	3	—	6
25	Sales management .. .. .					5	1	1	7
26	Staff selection	}	..	..	..	3	2	—	5
27	Staff training								
28	Safety and health .. .. .					2	2	—	4
29	Systematic maintenance .. .. .					—	1	—	1
30	Technology of the industry .. .. .					3	—	—	3
31	Waste control .. .. .					—	1	—	1
32	Works management .. .. .					—	1	—	1
33	Work study .. .. .					7	8	3	18

						Group I	Group II	Group III	All Groups
<i>Method of Teaching</i>						<i>Number of Courses</i>			
1	Case studies	..	..	..	..	10	5	2	17
2	Conferences	..	..	..	..	1	4	—	5
3	Demonstrations	..	..	..	..	4	2	—	6
4	Discussion	..	..	..	..	9	9	2	20
5	Films	..	..	..	..	2	3	—	5
6	Lectures	..	..	..	..	15	16	6	37
7	Projects	..	..	..	..	9	5	1	15
8	Role playing	..	..	..	..	3	2	—	5
9	Simulation exercises	..	..	..	..	4	2	1	7
10	Syndicates	..	..	..	..	9	1	—	10
11	Visual aids	..	..	..	..	1	1	—	2

						Group I	Group II	Group III	All Groups
<i>Duration</i>						<i>Number of Courses</i>			
Less than 1 week	..	..	..	..	..	6	11	3	20
Duration of 1 week	..	..	..	..	..	6	6	5	17
Duration of 2 weeks	..	..	..	..	..	9	4	2	15
Duration of 3 weeks	..	..	..	..	..	8	2	2	12
Duration of 4 weeks	..	..	..	..	..	1	2	2	5
Duration of 5 weeks	..	..	..	..	..	—	1	1	2
Duration of 6 weeks	..	..	..	..	..	1	2	2	5
Duration of 7 weeks	..	..	..	..	..	—	—	—	—
Duration of 8 weeks	..	..	..	..	..	1	1	1	3
Duration of 9 weeks	..	..	..	..	..	1	1	—	2
Duration of 10 weeks	..	..	..	..	..	—	2	—	2
6 months	..	..	..	..	..	..	1	—	1
2 years	..	..	..	..	..	..	—	1	1
3 years	..	..	..	..	..	..	—	1	1

## ORGANISATIONS WHICH PROVIDE MANAGEMENT COURSES AT POST-GRADUATE AND POST-EXPERIENCE LEVEL

*Courses under the auspices of the Education Departments or with Government Grants*

Forty-six leading technical colleges and colleges of commerce provide courses for the Diploma in Management Studies which is a national course of a post-graduate or post-qualification character. These centres and others also provide short courses in specialist management techniques and tool subjects. About 3,200 students, most of whom are doing three-year part-time courses are enrolled in the diploma courses. About 320 are taking the diploma in full-time courses or courses made up of full-time periods. These colleges also offer a wide range of courses in the field of management and supervisory studies at other levels.

Nine colleges of advanced technology or (in Scotland) central institutions are amongst those providing courses for the diploma in management studies. Some colleges of advanced technology provide post-graduate one year courses and short courses in general management subjects and in management techniques. Cranfield College of Aeronautics also provides courses in general management, work study, and other management subjects.

### *Universities*

Seventeen universities now provide some form of management teaching. This is mainly one-year post-graduate courses, usually leading to higher degrees or post-graduate diplomas, but short courses in specialist subjects and executive development courses for various levels of management are also provided. Perhaps about 200 students a year are engaged in post-graduate courses and 900 in short post-experience courses.

### *Residential Adult Colleges*

Some of these organise short management courses of various types.

### *Business Schools in Manchester and London*

It is proposed that the Business Schools to be set up in Manchester and London will provide between them one year post-graduate and 20 weeks post-experience courses for perhaps 400 post-graduate and 3-400 post-experience students per annum (Appendix VII).

*The Administrative Staff College at Henley.* The average age is 38-39, the criteria for entry being achievement and potential. In 1965/66 there will be four ten-week courses each for 66 members; since 1948 there have been three of twelve weeks a year. A characteristic is the composition of the session: although the majority come from all the main occupational groups in United Kingdom industry, places are reserved for the Civil Service, Local Government, Trade Unions, the Armed Forces, students from overseas and Banks.

*Ashridge College* provides general courses designed to cover a manager's needs for training at various levels throughout his career, also some specialist courses. The

length of courses varies from three days to eight weeks and the quantity is approximately 2,700 man weeks per annum.

*Management Consultants.* Firms of consultants provide courses in general management subjects, specialist subjects and courses adapted to the needs of industries and companies. These vary from one-day seminars to courses lasting eight weeks. Five firms between them provide 152 courses per annum for 2,260 managers, or approximately 4,344 man weeks of teaching. The two largest centres are the Sundridge Park Management Centre (started 1955) and the Urwick Management Centre (started 1948).

*Companies.* Between 50 and 60 companies have residential colleges and many more provide courses of various kinds in a wide variety of subjects; most of these courses are fairly short (Appendix V).

*Industries.* A number of industries (as, for example, the British Iron and Steel Federation, the Electricity Council, the Engineering Employers' West of England Association, the National Coal Board, and the Wool Textile Employers' Council have set up residential colleges or organise courses of various types.

*Management and Professional Bodies.* Many general and specialist organisations arrange conferences, lectures and short courses (for example, the British Association for Commercial and Industrial Education, the British Institute of Management, the Industrial Welfare Society and the Royal Institute of Public Administration.) Post-experience courses and conferences are also arranged by some of the professional institutes which are mainly concerned with administering professional or semi-professional qualifications (as, for example, the engineering institutions, the Institute of Personnel Management, and the Institute of Marketing and Sales Management, College of Marketing). The Civil Service and some local authorities also provide courses in management; so does the Trades Union Congress General Council.

*Other Organisations.* There are many other independent colleges, firms and individuals who arrange courses of various kinds on a commercial basis.

This summary does not attempt to be exhaustive, but only to indicate some of the main sources of provision of courses in this country. Full information about the numbers and types of courses, and of the students catered for, would require much further research. An estimate, recently made by the Urwick Management Centre, is that there might be approximately 19,000 places or 105,000 man weeks capacity in organisations of all types providing management courses of over a week in length—but this is admittedly based on some very wide assumptions and may not be completely comprehensive. A small number of managers also attend courses at various of the business management schools in the United States of America or on the continent.

# SUBJECTS FOR WHICH A NEED FOR MORE EXTERNAL COURSES WAS EXPRESSED

*Number of Mentions*

Subjects	Subjects most needed (Question 6.iii)				Subjects in which more courses required (Question 6.iv)			
	Group I	Group II	Group III	All Groups	Group I	Group II	Group III	All Groups
Accounting ..	—	1	—	1	2	—	1	3
Advertising ..				—	—	1		1
Automation ..			1	1	1			1
Behavioural sciences			1	1				
Budgetary Control	1	1	2	4	1		2	3
Chairmanship and committee tech- niques .. ..				—	1			1
Communications ..	1		2	3	2	2		4
Common Market			1	1				—
Company law ..		1	1	2				—
Computers ..	2		1	3	2			2
Costing .. ..	2		5	7	2	2	4	8
Critical path analysis ..				—	2		1	3
Cybernetics ..				—	1			1
Decision making ..	1		1	2			2	2
Economics ..	2	1	1	4	4	1	2	7
Economics of export trade .. ..		1		1		1	1	2
Effective speaking	2			2	1			1
Electronics ..			1	1	1			1
Finance .. ..		1	3	4	1		3	4
Foreign languages		1		1		1	1	2
General manage- ment .. ..	6	7	7	20	2		5	7
Incentive schemes		1		1				—
Industrial psychology ..					2			2
Labour relations	2	1	2	5	1			1



Subjects	Subjects most needed (Question 6.iii)				Subjects in which more courses required (Question 6.iv)			
	Group I	Group II	Group III	All Groups	Group I	Group II	Group III	All Groups
Management accounting ..			2	2	1		1	2
Management techniques ..	6	3	1	10	2	1	4	7
Marketing ..		1	1	2		1	1	2
Market research ..		1		1	1	3		4
Mathematics ..					1			1
Method study ..		1		1	1	3		4
Operational research ..	1	1		2	3	2		5
Organisation ..	1	1	1	3		2		2
Organisation and methods ..		1		1			2	2
Personnel administration ..					1			1
Production control							1	1
Production engineering ..						1		1
Production planning						1		1
Quality control ..			1	1			1	1
Report writing ..	2			2	1			1
Sales forecasting ..						1		1
Sales management							2	2
Sociology ..		2	1	3	2	2		4
Staff selection ..		1		1		1		1
Staff training ..		2		2	1	1		2
Statistics ..			1	1	1			1
Technical dept. management ..					1			1
Technology of the industry ..	1		3	4	2	1	3	6
Value analysis ..							1	1
Works management						1	2	3
Work study ..		1	3	4			3	3

## THE BRITISH BUSINESS SCHOOLS

*Conditions Favourable to Faster Growth*, a report published by the National Economic Development Council in April 1963<sup>(i)</sup>, said in paragraph 26: "There is a need in this country for at least one very high level new school or institute somewhat on the lines of the Harvard Business School or the School of Industrial Management at the Massachusetts Institute of Technology". This suggestion helped to focus various discussions already proceeding at the time, and in July, 1963, the late Lord Rootes, the Director General of the Federation of British Industries, the Chairman of the British Institute of Management, the Chairman of the Foundation for Management Education and the Director General of the National Economic Development Council, asked Lord Franks to give his views on the variety of proposals which were then being discussed for setting up a British Business School or Schools.

*The Franks Report*<sup>(ii)</sup>. Lord Franks considered this problem in consultation with a number of industrialists and educationalists and the recommendations of his report were:

- 1 That two Business Schools of high quality be established in Britain.
- 2 That each be part of a university but enjoying considerable autonomy as a partnership between the university and business.
- 3 That these Business Schools be situated within major industrial and commercial conurbations.
- 4 That these Business Schools offer courses for both post graduation and post experience students.
- 5 That one Business School be associated jointly with the London School of Economics and Imperial College of the University of London, and the other with Manchester University.

*The Normanbrook Report*<sup>(iii)</sup>. The Normanbrook Committee was set up in December, 1963, at the request of the President of the Federation of British Industries to carry Lord Franks' recommendations a stage further in regard to the finance and administration of the two Schools; also to recommend a basis for sharing the provision of funds between the University Grants Committee and industry and commerce. Some of the recommendations contained in this report were as follows:

Each governing body should consist of:

- (a) a Chairman. In Manchester this is to be the Vice-Chancellor. In London, he will be nominated by the two sponsoring institutions: Lord Plowden has accepted the nomination.
- (b) Nine members (including the director of the business school) nominated by the university and 9 members from manufacturing industry, the nationalised industries, commerce and retail trade ;

---

(i) H.M.S.O. April, 1963.

(ii) *British Business Schools*, a report by the Rt. Hon. Lord Franks, P.C., G.C.M.G., K.C.B., C.B.E., published by British Institute of Management, November, 1963.

(iii) *British Business Schools, The Cost*, a report by a working party under the Rt. Hon. Lord Normanbrook, P.C., G.C.B., published May, 1964.

- (c) Four "individuals of experience and standing in the community" : perhaps one from the trade union movement and others with experience of large-scale management outside the field of industry and commerce, e.g. the civil service, the press, broadcasting, etc. ;
- (d) Two further co-opted members if other types of experience needed to be represented.

The members to serve as individuals, not as delegates of the bodies proposing them.

The Normanbrook report defined the main aim and purpose of the Schools as being to improve the efficiency of British industry and commerce by ensuring a larger supply of managers and potential managers who are familiar with the new techniques and tools of management and trained "to foresee and decide well in swiftly-changing situations". The Schools would also be concerned to provide, especially in the post-graduate courses, background or 'framework' knowledge of the business world, and emphasis was to be placed on understanding financial control and on cost consciousness.

On May 11th, 1964, the Government announced that they were prepared to make provision for the universities' share of this expenditure, and that they would also give sympathetic consideration to the suggestion that awards from public funds should be made available to postgraduate students at the schools.

The Federation of British Industries jointly with the British Institute of Management and the Foundation for Management Education appealed to the business community to meet its share of the cost of the two schools, and nearly £5 million has now been subscribed.

# OCCUPIED POPULATION IN CIVIL EMPLOYMENT BY INDUSTRIAL STATUS GREAT BRITAIN, 1951

Table 1

						000's	
<i>Employers</i>	..	..	..	..	..	501	
<i>Managers—</i>							
General, Managing Directors, etc.	..	..				187	
Branch and Primary Depts.	..	..	..			526	
Office and Subsidiary	..	..	..	..		94	
						807	
Total Employers and Managers ..							1,308
<i>Operatives—</i>							
Social Classes I and II	..	..	..	..		1,913	
Others	..	..	..	..	..	17,766	
Total Operatives							19,679
<i>Working on Own Account</i> ..							1,148
GRAND TOTAL ..							22,135

Table 2.

	A Total (i) 000's	B All Employers and Managers 000's	C B as % of A
Agriculture etc. .. ..	1,126.1	150.2	13.3
Mining and quarrying .. ..	841.0	6.8	0.8
Food, drink and tobacco .. ..	742.1	41.4	5.6
Chemicals .. ..	435.5	18.2	4.2
Metal manufacture .. ..	570.6	12.6	2.2
Engineering and electrical .. ..	1,641.9	63.5	3.9
Shipbuilding .. ..	276.8	3.4	1.2
Vehicles .. ..	997.1	39.6	4.1
Metal goods .. ..	474.1	21.0	4.4
Textiles .. ..	985.6	25.4	2.6
Clothing .. ..	717.9	33.1	4.6
Leather .. ..	78.4	4.9	6.2
Timber and furniture .. ..	326.0	17.8	5.5
Bricks etc. .. ..	313.7	11.2	3.6
Paper and printing .. ..	515.3	24.9	4.8
Other manufacturers .. ..	262.3	11.8	4.5
All manufacturers .. ..	8,337.1	328.8	3.9
Construction .. ..	1,388.1	82.7	6.0
Gas, electricity, water .. ..	357.2	3.9	1.1
Transport .. ..	1,704.2	50.1	2.9
Distribution .. ..	2,673.7	381.9	14.3
Banking, insurance etc. .. ..	435.1	40.9	9.4
Professional services .. ..	1,523.6	88.8	5.8
Miscellaneous services .. ..	2,043.7	168.2	8.2
Public administration .. ..	1,704.8	5.4	0.3
	22,134.7	1,307.5	5.9

(i) Excluding unemployed, 475, 357.

Source: Census 1951, England &amp; Wales.

" " Scotland.

## ACKNOWLEDGEMENTS

Grateful acknowledgement is due to all those who co-operated in this inquiry, and particularly to the following :

- |  |   |
|--|---|
| Achille Serre Ltd.                           | Fairfield Shipbuilding and Engineering Co. Ltd. |
| Aiton and Co. Ltd.                           | Federation of British Industries                |
| Alvis Ltd.                                   | Ford Motor Co. Ltd.                             |
| Associated British Picture Corporation Ltd.  | Friary Meux Ltd                                 |
| Associated Electrical Industries Ltd.        | John Galloway & Co. Ltd.                        |
| Association of British Chambers of Commerce  | General Electric Company Ltd.                   |
| Babcock and Wilcox Ltd.                      | Glaxo Laboratories Ltd.                         |
| Baker Perkins Ltd.                           | Greyhound Racing Association Trust Ltd.         |
| Balfour, Beatty & Co. Ltd.                   | Guest Keen and Nettlefolds Ltd.                 |
| Blackwood Morton and Sons Ltd.               | Arthur Guinness Son and Co. Ltd.                |
| Bleachers Association Ltd.                   | Harrison (Birmingham) Ltd.                      |
| Bowater Paper Corporation Ltd.               | Harrisons and Crosfield Ltd.                    |
| British Institute of Management              | Hawker Siddeley Aviation Ltd.                   |
| British United Shoe Machinery Co. Ltd.       | Hawker Siddeley Group Ltd.                      |
| Brooke Bond Services Ltd.                    | Hymatic Engineering Co. Ltd.                    |
| D. Byford and Co. Ltd.                       | Ilford Ltd.                                     |
| Cape Asbestos Co. Ltd.                       | Imperial Chemical Industries Ltd.               |
| John Cashmore Ltd.                           | Imperial Tobacco Co. Ltd.                       |
| Castrol Ltd.,                                | Jackson Brothers (of Knottingley) Ltd.          |
| Sir Joseph Causton & Sons Ltd.               | John Joule & Sons Ltd.                          |
| Cerebos Ltd.                                 | Johnson and Slater Ltd.                         |
| Charrington and Co. Ltd.                     | Lake and Elliott Ltd.                           |
| Chloride Batteries Ltd.                      | Laporte Industries Ltd.                         |
| Chloride Electrical Storage Co. Ltd.         | Frederick Lawrence Ltd.                         |
| Clutsom and Kemp Ltd.                        | Leeds Fireclay Co. Ltd.                         |
| Combined English Mills (Spinners) Ltd.       | London Co-operative Society Ltd.                |
| Consett Iron Co. Ltd.                        | Longmans Green and Co. Ltd.                     |
| I. J. & G. Cooper and William Sutcliffe Ltd. | McCorquodale and Co. Ltd.                       |
| Co-operative Union Ltd. Education Department | Marks and Spencer Ltd.                          |
| Courtaulds Ltd.                              | Marshall Sons and Co. Ltd.                      |
| Crompton Parkinson Ltd.                      | Thomas Marshall & Co. (Loxley) Ltd.             |
| James Cropper & Co. Ltd.                     | Mavor and Coulson Ltd.                          |
| Crown Cork Co. Ltd.                          | Mecca Ltd.                                      |
| Joseph Dawson Ltd.                           | Metal Box Co. Ltd.                              |
| De La Rue Co. Ltd.                           | National Association of British Manufacturers   |
| Ductile Steels Ltd.                          | Newman Hender & Company Ltd.                    |
| Dunlop Rubber Co. Ltd.                       | Nottingham Co-operative Society Ltd.            |
| East Kent Road Car Co. Ltd.                  | P.M.A. Holdings Ltd.                            |
| Enfield Rolling Mills Ltd.                   | Park Royal Brewery                              |
| English Electric Co. Ltd.                    | Parkinson Cowan Ltd.                            |
| H. J. Enthoven and Sons Ltd.                 | Patons and Baldwins Ltd.                        |
| Esso Petroleum Co. Ltd.                      | Pauls Foods Ltd.                                |
| Exchange Telegraph Company Ltd.              | Portsea Island Mutual Co-operative Society Ltd. |

Powell Duffryn Group  
 Price Walker and Co. Ltd.  
 Rolls-Royce Ltd.  
 John Sadd & Sons Ltd.  
 Schweppes Ltd.  
 Selincourt and Sons Ltd.  
 Somervell Brothers Ltd.  
 Specialoid Ltd.  
 Walter Somers Ltd.  
 Steel Company of Wales Ltd.  
 Steetley Co. Ltd.  
 L. Sterne and Co. Ltd.  
 Stevenson & Howell Ltd.  
 Stewarts and Lloyds Ltd.  
 Stothert & Pitt Ltd.  
 Stroud, Riley and Co. Ltd.  
 Tate and Lyle Refineries Ltd.  
 Taylor Woodrow (Building Exports) Ltd.  
 J. & R. Tennent Ltd.

Troydale Industries Ltd.  
 Truscon Ltd.  
 Tube Investments Ltd.  
 Turner and Newall Ltd.  
 Unilever Ltd.  
 United Steel Companies Ltd.  
 E. Upton and Sons Ltd.  
 William Uttley Ltd.  
 Vickers Ltd.  
 Harry Vincent Ltd.  
 Walker Bros. Ltd.  
 George Ward Ltd.  
 Watney Mann Ltd.  
 Westool Ltd.  
 Williams Hudson Ltd.  
 Wolf Electric Tools Ltd.  
 Woodall Duckham Construction Co. Ltd.  
 Young and Co's. Brewery Ltd.



NATIONAL ECONOMIC DEVELOPMENT  
COUNCIL

Management  
Recruitment and  
Development

*LONDON*

HER MAJESTY'S STATIONERY OFFICE

1965





# MANAGEMENT RECRUITMENT AND DEVELOPMENT

## Table of Contents

	<i>Page</i>
I INTRODUCTION ... ..	1
II SUMMARY ... ..	5
III THE INQUIRY ... ..	8
A Numbers of managers and their qualifications ... ..	8
B Recruitment ... ..	12
C Management development schemes ... ..	19
D Courses of study for management training and education ... ..	22
E Finding teachers and organising research projects ... ..	30
APPENDICES	
I The Inquiry: description of methods ... ..	33
II The Questionnaire ... ..	35
III Analysis of replies to questionnaire ... ..	41
IV Examples of management development schemes ... ..	50
V In-company and industry courses: subjects, methods and lengths	52
VI (a) Organisations providing management courses ... ..	54
(b) External courses needed... ..	56
VII The British Business Schools ... ..	58
VIII Occupied population by industrial status. Employers and managers. 1951 ... ..	60
IX Acknowledgements ... ..	62
DIAGRAMS	
1 Personnel structure of the company ... ..	8
2 Personnel distribution by company size group ... ..	9
3 Percentage of managers with qualifications by company size group and level of management ... ..	11
4 Companies with difficulties in finding suitable personnel ... ..	13
5 Qualifications of management trainees and recruits or pro- motions to first management positions ... ..	17
6 Proportion of companies having formal management develop- ment schemes ... ..	19
7 Age and level of management where greatest need for external courses was identified ... ..	24

## Foreword

This study of management recruitment and development in a sample of industrial and commercial companies in this country has been prepared by the National Economic Development Office. The study is based on an inquiry conducted by the Office in 1964.

The report was presented to the National Economic Development Council by the Director General at its meeting on 3rd February, 1965. The Council considered that the report should be made generally available.

*February, 1965*